

**United States  
Department of  
Agriculture**



**Federal Crop  
Insurance  
Corporation**



# **INELIGIBLE TRACKING SYSTEM HANDBOOK**

**2021 and Succeeding Crop Years**

**FCIC-24050  
(06-2020)**

**FCIC-24050-1  
(06-2021)**

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

<b>TITLE: 2021 INELIGIBLE TRACKING SYSTEM HANDBOOK</b>	<b>NUMBER: FCIC 24050-1</b>
<b>EFFECTIVE DATE: 2021 and Succeeding Crop Years</b>	<b>ISSUE DATE: June 28, 2021</b>
<b>SUBJECT:  2021 Ineligible Tracking System Handbook</b>	<b>OPI: Product Administration and Standards Division</b>
	<b>APPROVED:</b>  <i>/s/ Richard Flournoy</i>  <b>Deputy Administrator for Product Management</b>

**REASON FOR ISSUANCE**

This handbook provides the official FCIC standards and instructions for use in administering the Ineligible Tracking System, provides procedures, instructions, and examples of notification letters consistent with the amended regulations at 7 CFR Part 400, subpart U and in accordance with the Standard Reinsurance Agreement for the 2021 and succeeding crop years.

## SUMMARY OF CHANGES

The chart below identifies significant changes or modifications from prior issuances of the ITS Handbook. Minor changes and corrections are not included in this listing.

REFERENCE	VERSION	DESCRIPTION OF ADDITIONS, DELETIONS, CHANGES OR CLARIFICATIONS
Part 5- Section 1	24050-1	Section 1 header added (2021 or prior) after DRP and added Section 1.1 for 2022 DRP which uses cancellation date instead of sales closing date as the effective date for termination.

## CONTROL CHART

	TP Page(s)	TC Page(s)	Text Pages	Exhibits	Date	Directive Number
Current	1-2		49-50.2		June 2021	FCIC 24050-1

## FILING INSTRUCTIONS

This directive is effective on the date issued and will remain in effect until superseded or slip-sheeted.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. FCIC-24050 Ineligible Tracking System Handbook issued June 29, 2019, is superseded by this directive.

## PART 5 TERMINATION

### Section 1: CCIP (2011 and subsequent, with a CCD on or after April 30, 2010), ARPI, RIVI Plans, DRP (2021 or prior), LGM –Dairy (2011 and Subsequent) and Swine (2012 and subsequent), and LRP-Fed, Feeder, and Swine (2021 and subsequent)

#### **501 Unpaid Administrative Fees or Premiums**

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If the policy is terminated because of unpaid administrative fees or premiums, then the termination is effective on the termination date immediately subsequent to the billing date for the crop year.

Policies with a SCD prior to the termination date will terminate for the current crop year even if insurance attached prior to the termination date. Such termination will be considered effective as of the SCD and no insurance will be considered to have attached for the crop year and no indemnity, prevented planting, or replant payment will be owed.

**Example:** 2021 crop year wheat has a SCD of September 30, 2020, and a termination date of November 30, 2021. Insured B does not pay the premium for the 2020 crop year by the November 30, 2020, termination date.

Insured B planted wheat prior to November 30, 2020. The wheat policy would be terminated for the 2021 crop year as of September 30, 2020. All other policies with a termination date after November 30, 2020, would be terminated if the debt still existed on their respective termination dates.

#### **502 Other Amounts Due**

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If the policy is terminated due to other amounts due, then the termination is effective on the termination date immediately subsequent to the billing date for the crop year.

Policies with a SCD prior to the termination date will terminate for the current crop year even if insurance attached prior to the termination date. Such termination will be considered effective as of the SCD and no insurance will be considered to have attached for the crop year and no indemnity, prevented planting, or replant payment will be owed.

#### **503 Failure to Make Scheduled Payment Under Written Payment Agreement**

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The termination effective date for a policy when an insured fails to make a scheduled payment under a written payment agreement is the termination date for the crop year prior to the crop year in which the insured failed to make the scheduled payment. For this purpose only, the crop year will start the day after the termination date and end on the next termination date.

**Example 1:** Insured A entered into a written payment agreement on or before the November 30, 2019, termination date. Insured A fails to make a scheduled payment on November 15, 2020. The policy will terminate on November 30, 2019, for the 2020 crop year.

**Example 2:** Insured A entered into a written payment agreement on or before the November 30, 2019, termination date. Insured A fails to make a scheduled payment on December 15, 2020. The policy will terminate on November 30, 2020, for the 2021 crop year.

#### **504 All Other Policies Affected**

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A delinquent debt for any policy will result in termination of all of the insured's policies issued by the AIP under the authority of the Act, not just the policy for which the delinquent debt occurred.

The termination is effective on the termination date:

- (1) that coincides with the termination date for the policy with the delinquent debt; or
- (2) immediately following the date the insured became ineligible if there is no coincidental termination date.

#### **505 Dismissal of Bankruptcy Petition Before Discharge**

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The termination effective date for a dismissal of a bankruptcy petition before discharge is the termination date the policy was or would have been terminated.

## Section 1.1: DRP (2022 and subsequent)

### 506 Unpaid Administrative Fees or Premiums

If the policy is terminated because of unpaid administrative fees or premiums, then the termination is effective as of the prior crop year's cancellation date.

Policies will terminate for the current crop year even if insurance attached prior to the termination date, and no indemnity will be paid.

**Example:** For the 2022 crop year, if the insured purchased a DRP policy, with a termination date of December 31, 2023, and they do not pay the premium or other amounts due for DRP by the termination date, the insured's DRP policies will terminate for the current crop year (2024) retroactive to the cancellation date of the prior crop year (2023) which is June 30, 2023, even if insurance has already attached to the current crop year (2024) and the previous crop year (2023).

The termination of the 2022 crop year DRP policy due to delinquent debt for the DRP policy effectively terminates both the 2023 and the 2024 crop year DRP policies. Both the 2023 and 2024 crop years must be submitted to ITS with a debt delinquency date of June 30, 2023, on the I60 record. All other policies with a termination date after June 30, 2023, would be terminated if the debt still existed on their respective termination dates.

### 507 Other Amounts Due

If the policy is terminated due to other amounts due, then the termination is effective as of the prior crop year's cancellation date.

Policies will terminate for the current crop year even if insurance attached prior to the termination date, and no indemnity will be paid.

**Example:** The insured purchases a 2022 crop year DRP policy and pays the premium prior to the December 31, 2023, termination date. However, an adjustment was made to their policy after the termination date which resulted in an other amount due. The letter was sent, dated February 21, 2024, with a due date of March 22, 2024. If the debt is not paid by the due date, the insured's DRP policies will terminate for the current crop year (2024) retroactive to the cancellation date of the prior crop year (2023) which is June 30, 2023, even if insurance has already attached to the current crop year (2024) and the previous crop year (2023).

The termination of the 2022 crop year DRP policy due to delinquent debt for the DRP policy effectively terminates both the 2023 and the 2024 crop year DRP policies. Both the 2023 and 2024 crop years must be submitted to ITS with a debt delinquency date of June 30, 2023, on the I60 record. All other policies with a termination date after June 30, 2023, would be terminated if the debt still existed on their respective termination dates.

## **508 Failure to Make Schedule Payment Under Written Payment Agreement**

The termination effective date for a policy when an insured fails to make a scheduled payment under a written payment agreement is the termination date for the crop year prior to the crop year in which the insured failed to make the scheduled payment. For this purpose only, the crop year will start the day after the termination date and end on the next termination date.

**Example 1:** Insured A entered into a written payment agreement on or before the December 31, 2023, termination date. Insured A fails to make a scheduled payment on November 1, 2024. The policy will terminate on December 31, 2023, for the 2024 crop year.

**Example 2:** Insured A entered into a written payment agreement on or before the December 31, 2023, termination date. Insured A fails to make a scheduled payment on April 1, 2025. The policy will terminate on December 31, 2024, for the 2025 crop year.

## **509 All Other Policies Affected**

A delinquent debt for any policy will result in termination of all of the insured's policies issued by the AIP under the authority of the Act, not just the policy for which the delinquent debt occurred.

The termination is effective on the termination date:

- (1) that coincides with the termination date for the policy with the delinquent debt; or
- (2) immediately following the date the insured became ineligible if there is no coincidental termination date.

**Example:** Insured B purchased a DRP quarterly coverage endorsement on December 3, 2021, and did not pay the premium by the termination date of December 31, 2023, and subsequently purchased a CCIP corn policy on March 15, 2022. The DRP policy is terminated December 31, 2023, and the producer is ineligible for DRP as of cancellation date of the prior crop year (2023) which is June 30, 2023. However, the CCIP corn policy would remain in effect for 2023 and would be terminated as of March 15, 2024, if the DRP premium remained delinquent. No indemnity will be due for that crop year for either crop.

## **510 Dismissal of Bankruptcy Petition Before Discharge**

The termination effective date for a dismissal of a bankruptcy petition before discharge is the termination date the policy was or would have been terminated.