



## Loss Adjustment Manual (LAM)

---

### Objectives

This training unit will provide beginning adjusters and others, necessary information to become proficient in locating the general loss adjustment requirements and information contained within the LAM.

This training unit is not a substitute for the LAM and does not cover every aspect of adjusting Federal Crop Insurance claims. It is only intended to provide an overview of the LAM use and contents.

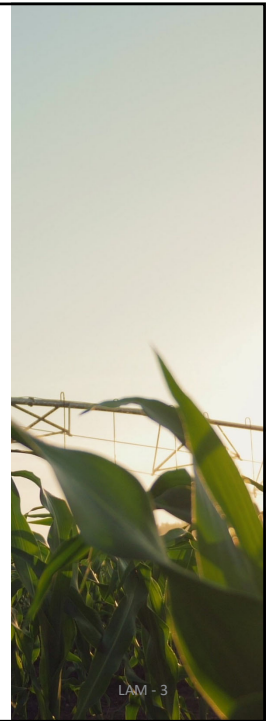
# About The LAM

Main resource for adjusting claims on policies reinsured by the Federal Crop Insurance Corporation (FCIC).

Risk Management Agency (RMA) is responsible for issuing and maintaining the LAM.

Approved Insurance Providers (AIPs) are responsible for all loss adjustment responsibilities outlined in the LAM.

© NCIS 2021



LAM - 3

## About The LAM

Crop Insurance has many acronyms and abbreviations.

Refer to Exhibit 1 of the LAM for a list of acronyms and abbreviations.

Also refer to the General Standards Handbook (GSH) for terms and definitions.

© NCIS 2021

LAM - 4



# GENERAL INFORMATION

Part 1

## GENERAL INFORMATION Purpose

This handbook is the official publication of RMA for all insurance provided under the FCIC program.

Insurance policies available under the FCI program are sold and serviced by private insurance companies (AIPs) reinsured by FCIC.

If an AIP is audited the applicable procedures in this FCIC-issued handbook will be the basis for all determinations.

## GENERAL INFORMATION - Purpose

- 1) This handbook identifies standards:
  - a) for general loss adjustment for adjusting losses in a uniform and timely manner;
  - b) for the general loss adjustment process;
  - c) for completing policy-related inspections for the crop year; and
  - d) that are not adjuster specific, but are an overall part of the loss adjustment process for which the AIP is responsible.

## GENERAL INFORMATION - Purpose

- 2) The standards contained in this handbook are to be used with:
  - a) The insurance standards handbooks or guides for a specific plan of insurance, unless these handbooks or guides specify otherwise,
  - b) PPSH; and
  - c) Crop specific LASH unless specified otherwise.

## GENERAL INFORMATION - Operating Policy

### A. Regulations or Procedural Conflict

- If there is a conflict between any FCIC-issued regulations, provisions, or procedures, the order of precedence is listed in the GSH.
- All FCIC regulations, provisions, procedures and interpretations of FCIC regulations, provisions, and procedures issued by RMA listed in the GSH take precedence over policy provisions, procedures or any clarification, interpretation of policy provisions or procedures or other materials distributed by an association or AIP.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 3A

LAM - 9



## RESPONSIBILITIES

Part 2

## RESPONSIBILITIES - AIP

The AIP is responsible for all loss adjustment responsibilities outlined in this handbook whether the requirement is performed by a contracted adjuster, employed adjuster, or other AIP employee.

1. The AIP and other parties involved with FCIC's crop insurance program are to administer the general loss adjustment in accordance with procedures in this handbook and in conjunction with the following issuances:

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 201(1)

LAM - 11

## RESPONSIBILITIES - AIP

- 2) Responsibilities include the following:
  - a) Comply with loss adjustment standards and loss-related form standards and form completion instructions established by FCIC;
  - b) Comply with all other requirements issued by FCIC in the administration of contracts between the AIP and FCIC; and
  - c) Ensure that all documentation, determinations, and calculations are completed as specified in FCIC policy provisions, LAM Standards Handbook, crop LASHs, and all other applicable FCIC issuances.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 201(2)(a)(b)(c)

LAM - 12

## RESPONSIBILITIES - AIP

- d) Provide input to FCIC regarding loss adjustment standards.
- e) Advise RMA's PASD of impending situations which may necessitate the development of procedures, form standards, or calculations that are different than those identified in the FCIC-issued standards.
- f) Provide the adjuster with the insurance contract forms and procedures identified in the GSH.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 201(2)(d)(e)(f)

LAM - 13

## RESPONSIBILITIES - AIP

- g) Determine or verify whether crop-specific contract provisions or requirements have been complied with by the insured.
- h) Ensure that the adjuster has necessary equipment.
- i) Ensure no conflict of interest in the loss adjustment of a claim as outlined in the SRA.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 201(2)(g)(h)(i)

LAM - 14

## RESPONSIBILITIES - AIP

- j) Prior to loss adjustment inspection, the AIP should:
  - i. review Summary of Coverage against the data on the AR;
  - ii. reprocess AR if keying errors found prior to assigning the loss; and
  - iii. notify insured a new Summary of Coverage will be issued with correct data.
- k) Ensure required information specified in FCIC-issued loss adjustment standards is recorded on the specific forms, printouts, or on a Special Report.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 201(2)(j)(i)(ii)(iii)(k)

LAM - 15

## RESPONSIBILITIES - AIP

- l) Maintaining and retaining records for claims in accordance with the SRA.
- m) AIP must ensure before settlement of any claim the insured is shown as having a new producer status for the crop, that:
  - i. Qualification for new producer status has been verified to be correct; and
  - ii. In addition to item (l) above, AIPs must maintain documentation in the insured's claim file substantiating the AIP's determination that an insured qualifies for new producer status.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 201(2)(l)(m)(i)(ii)

LAM - 16

# RESPONSIBILITIES - AIP

Before any loss adjustment can be initiated, verify insured and all who have an interest of ten percent (10%) or more are eligible for insurance and the entity is legal.

BP state simple interest will be paid from the 61st day after the insured signs, dates, and submits the properly completed claim.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 201(3)(4)

LAM - 17

## RESPONSIBILITIES - AIP

5. FCIC has identified the following types of claim situations on which interest should be paid from the 61st day of the adjuster or approving officer's signature date rather than the insured's signature date. The claim situations are as follows:
  - a) Certification Form has been used on the unit.
  - b) Controversial or other unusual type of claim.
  - c) The insured is an absentee insured.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 201(5)(a)(b)(c)

LAM - 18

## RESPONSIBILITIES - Loss Adjustment

- Responsibilities and procedures apply to whoever is performing loss adjustment whether it is an AIP employee or a person under contract or employed with an AIP specifically as an adjuster.
- Some AIPs have employees whose primary function is not loss adjustment but this employee makes loss adjustment verifications.
- AIPs may have non-loss adjuster employees perform reviews or loss adjustment assignments.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 202

LAM - 19

## RESPONSIBILITIES - Loss Adjustment

- Sales agents, local agency employees, or sales representatives cannot perform loss adjustment duties unless outside of their selling and servicing area.
- May take notices of damage or loss or other duties as specified in the LAM.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 202

LAM - 20

## RESPONSIBILITIES - Loss Adjustment

1. Be thoroughly familiar with the contract folder and all insurance documents that pertain to the insurance contract in the county, examples include:
  - a) Basic Provisions
  - b) Crop Provisions
  - c) Applicable endorsements or options
  - d) Written agreements if applicable
  - e) Special Provisions
  - f) Reported Acreage Report information, etc.

© NCIS 2021

LAM (FCIC-25010-1) – Par. 202(1)

LAM - 21

## RESPONSIBILITIES - Loss Adjustment

2. Verify and/or determine and document information specified in the LAM or other FCIC-issued procedures necessary for loss adjustment.
3. Use loss forms that meet current FCIC-form standards and DO NOT deviate from FCIC-issued procedures without prior written approval from FCIC.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 202(2)(3)

LAM - 22

## RESPONSIBILITIES - Loss Adjustment

4. Use and be proficient with applicable loss adjustment equipment.
5. Identify type of inspection to be made.
6. Explain to insureds their contractual responsibilities, filing procedures, and what will be done during the inspection.
7. Visit farms for the purpose of inspecting damaged or destroyed crops during the growing season or following harvest.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 202(4)(5)(6)(7)

LAM - 23

## RESPONSIBILITIES - Loss Adjustment

8. During the farm visit:
  - a) Determine and/or verify insured & uninsured causes of loss Establish production or dollar amount to count for uninsured causes of loss.
  - b) Determine and/or verify time of loss.
  - c) Review and verify acreage report information.
  - d) Inspect insured crops and establish all harvested, UH, and potential production for all units of each crop being inspected. Determine all farm-stored production from loss units of crop being inspected.



© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 202(8)(a)(b)(c)(d)

LAM - 24

## RESPONSIBILITIES - Loss Adjustment

- e) Determine insurable acreage of loss unit or as required in any type of inspection.
- f) Determine if there is any unreported insurable acreage.
- g) Inspect acreage to determine and verify correct FSA FNs, legal descriptions, classifications, planting dates, planting practices, inputs, and whether proper planting and care of the crop was carried out as it pertains to fertilizer, herbicides, irrigation.

© NCIS 2021

2021 LAM (FCIC-25010-1) - Par. 202(8)(e)(f)(g)

LAM - 25

## RESPONSIBILITIES - Loss Adjustment

- h) Appraise potential production and grant written consent to replant or put insured acreage to another use.
- i) Perform APH review responsibilities.
- j) Perform on-the-farm inspections in accordance with the LAM and other Loss Adjustment Standards Handbooks (LASHs).
- k) Cooperate with the insured while working in and around property.

© NCIS 2021

2021 LAM (FCIC-25010-1) - Par. 202(8)(h)(i)(j)(k)

LAM - 26

## RESPONSIBILITIES - Loss Adjustment

9. Review information from previous inspections.
10. Verify that the insured's share and entity is correct. Verify if insured is married and if so, has the spouse's SSN/EIN been provided.
11. Review documents, records, that show the correct entity, share, legal description and/or FNs, and acres. FSA records do not have to be used unless necessary to complete the loss adjustment.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 202(9)(10)(11)

LAM - 27

## RESPONSIBILITIES Loss Adjustment

12. If actuarial classification appears to be incorrect, adverse, or unusual risk conditions exist, prepare a Special Report.
13. During an indemnity inspection, explain the insured's options under the terms and conditions of the contract, but provide no advice or suggestions that could affect the insured's decision.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 202(12)(13)

LAM - 28



## RESPONSIBILITIES Loss Adjustment

14. DO NOT provide advice or suggestions regarding the insured's farming operation.
15. Advise insureds a routine quality assurance review may be made.
16. Prior to obtaining the insured's signature on the PW:
  - a) Review all entries on appraisal worksheets and PWs;
  - b) Explain circumstances that may affect the indemnity; and
  - c) Explain the Certification Statement on the PW.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 202(14)(15)(16)(a)(b)(c)

LAM - 29



## RESPONSIBILITIES Loss Adjustment

17. Use a Claim Checklist.
18. DO NOT discriminate against any insured because of race, color, religion, sex, age, disability, marital status, national origin, or sexual orientation.
19. DO NOT solicit or accept money, gifts or favors from any party designed to influence any loss adjustment finding or decision.
20. Do not use your position to gain favor, influence, or financial advantage over any insured or individual.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 202(17)(18)(19)(20)

LAM - 30



## RESPONSIBILITIES Loss Adjustment

21. Adjusters must provide written consent to the insured when the adjuster is releasing acreage to:

- a) destroy insured acreage;
- b) put insured acreage to another use;
- c) replant insured acreage; or
- d) abandon the insured acreage.



## RESPONSIBILITIES Loss Adjustment

22. Before a replanting, PP, claim for indemnity is finalized, verify insurability requirements of the crop and acreage. Refer to the CIH for additional reasons acreage would not be insurable.



## RESPONSIBILITIES Loss Adjustment

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 202(23)(24)(a)(b)(i)(ii)(iii)

LAM - 33

23. When there is contained water, verify and document the elevation of the contained water at the time of loss.
24. Loss Adjustment Form corrections.
  - a) If during adjustment the adjuster makes a correction on a form, adjuster will follow instructions for making corrections in the Section entitled PW Entries and Completion procedures in the applicable crop LASH.
  - b) If a claims reviewer or auditor makes a correction on the claim form prior to processing it for payment, the auditor/reviewer will:
    - i. Line through the incorrect information and replace with the correct information,
    - ii. Initial and date the correction/change, and
    - iii. Document on an attached Special Report the reason why the correction/change was needed.



## RESPONSIBILITIES Loss Adjustment

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 202(24)(c)(25)

LAM - 34

- c) The AIP should notify insured of any correction/change if correction/change results in a reduced Indemnity Payment, Replant Payment, or PP Payment.
25. It is helpful on a farm inspection to document conditions of crop with photographs or videos.

## RESPONSIBILITIES - Loss Adjustment

---

If photographic or video evidence is used to support a claim:

- a) Each photo must include embedded GPS coordinates or, if embedded GPS coordinates cannot be obtained, each photo must contain an identifiable object in background to show where picture was taken;
- b) The use of color photographs is encouraged;

## RESPONSIBILITIES - Loss Adjustment

---

- c) Take photographs or video to avoid giving the appearance of being secretive or suspicious. There may be occasions when resentment or disapproval of the use of photographs or videos is expressed;

## RESPONSIBILITIES - Loss Adjustment

---

- d) Document photographs and video using a log to show the following pertinent information: Date/time taken, the location where taken and by whom, the subject matter depicted, direction of view, contract, and unit number, etc.

## RESPONSIBILITIES - Loss Adjustment

---

- 26. Include in insured's loss file, all documentation used to verify or support determinations.
- 27. MCEU endorsement loss adjustment determinations and calculations are handled with current procedure for EUs. References to EUs and EPs in the LAM are applicable to MCEUs.

# RESPONSIBILITIES - Insured

---

Besides the requirement to provide notice when damage occurs, the BP requires the insured to:

1. Protect crop from further damage and provide sufficient care.
2. Cooperate with AIP and as often as required:
  - a) Show AIP the damaged crop;
  - b) Allow AIP to remove samples of the insured crop; and
  - c) Provide records & documents and permit AIP to make copies.

# RESPONSIBILITIES - Insured

---

3. Establish:
  - a) Total production or value received for the insured crop on the unit;
  - b) That any loss occurred during the insurance period;
  - c) Loss was caused by one or more of the insured causes of loss specified in the CP; and
  - d) That he/she complied with all provisions of the BP.

## RESPONSIBILITIES - Insured

---

4. Obtain consent from the AIP before, and notify the AIP after:
  - a) Destroying any of the crop that will not be harvested,
  - b) Putting the crop to an alternative use,
  - c) Putting the acreage to another use, or
  - d) Abandoning any portion of the crop.

## RESPONSIBILITIES - Insured

---

5. Leave UH RSCs intact in accordance with the BP and/or CP.
6. Submit a claim declaring the amount of the insured's loss by the dates specified in the BP.
7. Provide a complete harvesting, production, and marketing record of each crop by unit including separate records showing the same information for production from acreage not insured.
8. Separate records of production for 1st and 2nd crop acreage.



## RESPONSIBILITIES - Insured

9. Insured must retain complete records of planting, replanting, inputs, production, harvesting and disposition of the crop on each unit for three years. This requirement also applies to all records for acreage not insured. The insured must provide records requested.



## RESPONSIBILITIES - Insured

10. The insured is not required to maintain records beyond the record retention period. If AIP or FCIC has evidence the insured or anyone assisting the insured knowingly misreported information related to any yield the insured certified, the AIP or FCIC will replace all yields in the insured's APH database determined to be incorrect with the lesser of an assigned yield determined in accordance with section 3 of the BPs or the yield determined to be correct.



## RESPONSIBILITIES - Insured

- a) If an overpayment has been made to the insured, the insured will be required to repay the overpaid amount; and
- b) Replacement of yields in accordance with section 21(b)(3) of the BP does not exempt the insured from other sanctions applicable under the terms of the policy or any applicable law.



## RESPONSIBILITIES - Insured

- c) By the insured signing the application the insured authorizes the AIP or USDA, or any person acting for the AIP or USDA authorized to:
  - i. Investigate or review any matter relating to crop insurance; and
  - ii. Obtain records relating to the planting, replanting, inputs, production, harvesting, and disposition of the insured crop from any person who may have custody of such records.
- The insured must assist in obtaining all records to investigate or review any matter relating to crop insurance requests from third parties.

## RESPONSIBILITIES - Insured

- d) If insured fails to provide access to the crop or farm, authorize access to records maintained by third parties, or assist in obtaining such records, it will result in a no indemnity due.
- e) If the insured fails to maintain or provide records, the provisions of section 21(f) (and (g), if applicable) of the BP will apply.



## PRACTICES

Part 3

## PRACTICES - Irrigated

1. The following are covered under an IRR practice, when due to an insured COL listed in the CP, there is:
  - a) failure of the irrigation water supply;
  - b) failure or breakdown of the irrigation equipment or facilities, or
  - c) an inability to prepare land for irrigation using the insured's irrigation method. The insured must make reasonable efforts to restore the equipment or facilities to proper working, unless the AIP determines it is not practical to do so. Cost will not be considered when determining it is practical to restore the equipment.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 301A(1)(a)(b)(c)

LAM - 49

## PRACTICES - Irrigated

2. Under the terms of the policy, the burden is on the insured to show any loss on acreage was caused by an insured COL. Insured's documentation must:
  - a) include any of the items covered in item (1) above;
  - b) show that such failure was caused by an insured COL that occurred during the insurance period, and

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 301A(2)(a)(b)

LAM - 50

## PRACTICES - Irrigated

- c. Demonstrate the insured has physical resources, other than water, used to regulate the flow of water from a water source to the acreage. This includes pumps, valves, sprinkler heads, and other control devices. It also includes pipes or pipelines which:
  - i. are under the control of the insured, or
  - ii. routinely deliver water only to acreage which is owned or operated by the insured. A center pivot system is considered irrigation equipment and facilities.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 301A(2)(c)(i)(ii)

LAM - 51

## PRACTICES - Irrigated

- 3. AIPs/adjusters must verify and document:
  - a) that the insured qualified for an IRR practice;
  - b) if the condition(s) for an irrigated practice outlined in item (1) above apply; and
  - c) any other information pertinent to the case.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 301A(3)(a)(b)(c)

LAM - 52

## PRACTICES - Irrigated

The following are to be applied in determining adequacy of the irrigation water supply and facilities, properly classifying acreage, and administering the standards.

1. The quantity of irrigation water will be considered adequate only if insured can demonstrate that at the time insurance attached, there was reasonable expectation of receiving an adequate quantity of water at the times necessary to carry out a good irrigation practice.

## PRACTICES - Irrigated

- a) For water quantity to be considered adequate, it also must be of sufficient quality to be acceptable for irrigation purposes. The local CES or NRCS should be utilized in making any necessary water quality determinations.

## PRACTICES - Irrigated

2. Irrigation facilities are adequate if determined at the time insurance attaches, they will be available and usable at times needed and have the capacity to deliver water quantities to carry out a good irrigation practice.
3. Acreage insured under an IRR practice, which suffers a water shortage, must be managed consistent with GFPs to produce the best possible yield.

## PRACTICES - Irrigated

6. If acreage reported for the IRR practice exceeds the capacity of the irrigation facilities and/or water supply, limit the acres insured under the IRR practice to an amount which could have been adequately irrigated.
7. It is preferred the insured notify the AIP in advance of any diversion of water from insured crops. Advance notification allows the AIP to verify the diversion at the same time the insured makes the decision.

# PRACTICES - Irrigated

- 1) Drought cannot be a COL under an IRR Practice. AIPs are responsible for ensuring losses due to failure of the irrigation water supply are properly identified and not misidentified as drought, excessive heat, hot winds.
- 2) COLs under a IRR practice that normally do not occur, heat, hot winds may be appropriate COL on acreage under the IRR practice, but the likelihood of such causes are less compared to NIRR acreage.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 301(E)(1)(2)

LAM - 57



## INSUREDS CONTRACT INFORMATION

Part 4

## INSUREDS CONTRACT INFORMATION - Notification

- It is the insured's responsibility to provide any PP or NOL for insurable acreage.
- Insured must provide notice of PP or NOL within the prescribed time stated in the policy/endorsement/CP.
- BP state all notices required to be received by the AIP within 72 hours may be made by telephone or in person, but the insured must confirm in writing within 15 days.



© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 401

LAM - 59

## INSUREDS CONTRACT INFORMATION Notification

AIP responsibilities include:

1. Preparing and distributing the NOL to the appropriate parties. It is suggested agents or representatives taking NOLs are provided with instructions to obtain information pertaining to companion contracts.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 401(1)

LAM - 60

## INSUREDS CONTRACT INFORMATION - Notification

2. Reminding insureds of their responsibilities, including but not limited to:
  - a) continuing to care for the crop;
  - b) leaving representative samples/strips when NOL is given less than 15 days prior to or during harvest;
  - c) keeping production separate for each unit and for each practice;
  - d) keeping production from 1st and 2nd crop acreage separate.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 401(2)(a)(b)(c)(d)

LAM - 61

## INSUREDS CONTRACT INFORMATION - Notification

3. Assign notices of loss to adjusters as quickly as possible to ensure timely service.
4. Ensure, if at all possible, companion contracts are adjusted at the same time, as follows:
  - a) If the companion contract is serviced by the same AIP, the AIP will make arrangements to have both contracts adjusted by the same adjuster.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 401(3)(4)(a)

LAM - 62

## INSUREDS CONTRACT INFORMATION - Notification

- b) If the companion contract involves a different AIP, AIP will notify the other AIP, if known, immediately of the situation.
- c) When only one AIP completes a loss inspection, the other AIP will be provided legible copies of appraisal worksheet and PWs.



## INSUREDS CONTRACT INFORMATION - Notification

- d) In the event a loss inspection is completed by one AIP and other AIP disagrees with their findings, representatives from AIPs are to resolve any discrepancies.
- e) Upon receipt of a companion contract, it is discovered an inspection has been made by the other AIP, the claim may be completed based on their findings, provided AIP agrees with findings.



## INSUREDS CONTRACT INFORMATION - Notification

- f) When a loss inspection indicates the need for a GFP decision, AIPs work together to document production methods carried out by the insured and make a decision. If AIPs are unable to agree on a decision, refer the request for a determination to the RMA RO.

## INSUREDS CONTRACT INFORMATION - Notification

- 5. Use instructions for delayed notice inspections if insured failed to provide notice within time prescribed in policy provisions.
- 6. When insured has less than 100% share of a loss-affected unit and the PW does not indicate or the AIP has not provided the information indicating whether the shareholder has a MPCl policy, question the insured to determine whether the other person sharing in the unit also has a MPCl policy.



## INSUREDS CONTRACT INFORMATION - Notification

7. Review all information from prior inspections to determine if any information is pertinent to the inspection being performed.
8. For all claims involving accepted delayed notices, the adjuster will:
  - a) Follow procedures for conducting appraisals, acreage determinations, AR information verifications, uninsured causes, etc.
  - b) Complete PW entries for which a satisfactory determination can be made and will not sign the claim.



© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 401(7)(8)(a)(b)

LAM - 67

## INSUREDS CONTRACT INFORMATION - Delayed Notice

1. The specified time to submit a NOL:
  - a) For a planted crop is within 72 hours of initial time of discovery of damage or loss of production but not later than 15 days after the EOIP, even if the crop has not been harvested.
  - b) For crops which RP is elected, not later than 45 days after the latest date the harvest price is released for any crop in the unit when there is a revenue loss and there is no damage or loss of production.



© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 402(A)(1)(a)(b)

LAM - 68

## INSUREDS CONTRACT INFORMATION - Delayed Notice

- c) For PP notices, the notice must be filed within 72 hours:
  - i. After FPD if insured does not intend to plant during the LPP, or if an LPP is not applicable; or
  - ii. When insured determines the crop cannot be planted within the applicable LPP.
- d) For perennial crops and other plans of insurance, the specified timeframe for filing notices may differ.
- 2. The AIP may accept delayed NOL only if it was within the timeframe stated in policy provisions for submitting final claims unless excepted as stated in (3) below.



© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 402(A)(1)(c)(i)(ii)(d)(2)

LAM - 69

## INSUREDS CONTRACT INFORMATION - APH Database

- An APH database must be in place to complete a claim. Unless Appendix IV requires a mandatory APH field review, the AIP will verify the approved APH during the loss adjustment inspection, as follows:
  - 1. Review actual yields certified by insured for reasonableness.
  - 2. Perform a cursory review to determine if APH yield was calculated accurately.
  - 3. Compare approved APH yields to AR. Verify the correct APH yields have been entered on the AR.



© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 403(1)(2)(3)

LAM - 70

## INSUREDS CONTRACT INFORMATION - APH Database

4. Conduct additional reviews and/or make corrections, as appropriate, if:
  - a) A current approved APH yield is not on file;
  - b) Yields certified do not appear to be reasonable; or
  - c) The approved APH yield appears to have been calculated incorrectly.



© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 403(4)(a)(b)(c)

LAM - 71

## INSUREDS CONTRACT INFORMATION - Options & Endorsements

1. If a high-risk land exclusion option is in effect, verify that:
  - a) None of the acreage designated as high risk is included with insured acreage on AR, and
  - b) Harvested production from acreage designated as high risk has been kept separate.



© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 404(1)(a)(b)

LAM - 72

## INSUREDS CONTRACT INFORMATION - Options & Endorsements

2. Review any other option form or endorsement that pertains to the crop being inspected. If there is insured and uninsured acreage, verify that harvested production has been kept separate.



© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 404(2)

LAM - 73

## INSUREDS CONTRACT INFORMATION - Hail & Fire Exclusion

If damage results from hail or fire and a hail and fire exclusion is in effect, the adjuster will make an appraisal for uninsured causes of loss if the damage exceeds the deductible.



© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 405

LAM - 74

## INSUREDS CONTRACT INFORMATION - Assignment of Indemnity

1. Record whether an Assignment of Indemnity is in effect by completing the appropriate entry block on PW, or record information on an attachment or in Narrative of the PW.
2. If discovered during inspection there is a release not submitted or processed, document on a Special Report.
3. Record whether a Transfer of Coverage and Right to an Indemnity is in effect by completing the appropriate entry block on the PW; or record the information on an attachment or in the Narrative of the PW.



© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 406(1)(2)(3)

LAM - 75

## INSUREDS CONTRACT INFORMATION - Assignment of Indemnity

4. Prepare one PW for the loss unit. Account for all the acreage, production, and share. The transferor's name must appear on the PW.
5. For a partial transfer, the insured and transferee(s) must sign the claim.
6. For a complete transfer, the transferee must sign the claim.



© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 406(4)(5)(6)

LAM - 76

## INSUREDS CONTRACT INFORMATION - Signature Authority

- The AIP will provide adjuster with the name of the party who can act on behalf of the insured to submit and sign crop insurance documents.
- The AIP will ensure that anyone who has signed loss related forms is authorized to do so.
- If an individual states they are acting in behalf of the insured, and AIP has not provided this information, do not allow until verified that authorization is on file.



© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 407

LAM - 77



## ACREAGE REPORT

Part 5

## ACREAGE -Liability Adjustment Factor

- A. If the liability determined to have existed at loss adjustment time is higher than the liability reported, the LAF must be applied to the replant payment, PP payment, or indemnity payment calculation to hold the liability to the liability initially reported.
- B. The insured must submit annually all required AR information for all insured crops on an annual AR(s) to the AIP. The insured is responsible for the accuracy of all information contained in the AR. The insured is responsible for verifying the information on all such reports prior to submitting them to the AIP.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 501AB

LAM - 79

## ACREAGE - General Information

- These provisions provide automatic LPP coverage, unless the specific CP or SP specifies otherwise.
  - 1) For applicable crops planted during the LPP, the per-acre production guarantee for those acres will be reduced as, unless otherwise specified in the CP. The LPP, as specified in the BP, is 1-25 days after the FPD unless specified otherwise in the CP or SP.
  - 2) If the insured crop was prevented from being planted, due to an insurable cause, by the FPD or during the LPP by an insurable cause occurring within the insurance period for PP coverage and PP provisions are applicable to the insured crop, coverage may be provided for acreage planted to the insured crop after the LPP.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 521(1)(2)

LAM - 80



## FIRST, SECOND, & SUBSEQUENT CROPS

Part 6

## FIRST, SECOND, & SUBSEQUENT CROPS

### B. Insured's Options:

- 1) Not plant a 2<sup>nd</sup> crop and receive 100% of indemnity.
- 2) Plant but not insure a 2nd crop planted. For this situation, the following applies:
  - a) Decision made on a 1<sup>st</sup> insured crop unit basis.
  - b) Insured's must make election not to insure 2nd crop by applicable deadline:

## FIRST, SECOND, & SUBSEQUENT CROPS

- c) The insured will collect 100% of indemnity due for the 1st insured crop acreage, if:
  - i. written notice is provided to AIP stating insured elects not to insure 2nd crop by the deadline; or
  - ii. written notice is provided as described above; however, the insured subsequently plants and reports 2nd crop acreage as insured crop acreage. The AR must be revised to designate the 2nd crop as uninsured acreage.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 601B(2)(c)(i)(ii)

LAM - 83

## FIRST, SECOND, & SUBSEQUENT CROPS

- d) The indemnity for a 1st insured crop with an insurable loss will be limited to thirty-five percent (35%) if:
  - i. the 1st insured provides written notice that a 2nd crop will not be insured, but does not own or have control of the land;
  - ii. a 2nd insured plants and insures a 2nd crop;
  - iii. there is an insurable loss to the 2nd crop; and
  - iv. the 2nd insured receives an indemnity on the unit.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 601B(2)(d)(i)(ii)(iii)(iv)

LAM - 84

## FIRST, SECOND, & SUBSEQUENT CROPS

- e) If insured fails to provide written notice to not insure 2nd crop by deadline, the 2nd crop acreage will be insured, and the insured must repay any overpaid indemnity for the 1st insured crop.
- f) The insured must designate on AR the 2nd crop acreage planted on 1st insured crop acreage that will not be insured. Explain in the designated area on the AR why the acreage is uninsured.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 601B(2)(e)(f)

LAM - 85

## FIRST, SECOND, & SUBSEQUENT CROPS

- 3) Plant and insure the 2nd crop for harvest. For this situation, the following applies:
  - a) If planted 2<sup>nd</sup> crop acreage is insured with a different AIP, the insured must provide notice to each AIP that a 2<sup>nd</sup> crop was planted on acreage on which the insured had a 1<sup>st</sup> insured crop.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 601B(3)(a)

LAM - 86

## FIRST, SECOND, & SUBSEQUENT CROPS

- b) If there is an insurable loss on the 2nd crop acreage and the insured has not waived the indemnity for the 2nd crop acreage, the insured will:
  - i. Receive 100% of the indemnity for the 2nd crop acreage. The insured will pay the full premium for the 2nd crop acreage;
  - ii. Collect an indemnity payment that is 35 percent of the insurable loss for the 1st insured-crop acreage;
  - iii. Owe 35 percent of the premium for the 1st insured-crop acreage having a 2nd crop planted on it.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 601B(3)(b)(i)(ii)(iii)

LAM - 87



## TYPES OF INSPECTIONS

Part 7

Preliminary inspections are required when insureds give NOL before the time of harvest to: (1) replant, (2) obtain consent to put acreage to another use, (3) abandon the crop, or (4) destroy any of the insured crop that is not harvested.

Unless specified otherwise the AIP must provide written consent to the insured when releasing acreage.

If insured takes actions prior to the date the AIP released the acreage, the acreage is considered destroyed without consent.

## TYPES OF INSPECTIONS Preliminary

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 701(1)

LAM - 89

## TYPES OF INSPECTIONS - Preliminary

Insured and adjuster's signature shown on an appraisal worksheet and PW is considered AIP's written consent.

The date of verbal consent, if allowed by these procedures, must be documented and filed in the insured's loss file.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 701(2)

LAM - 90



## TYPES OF INSPECTIONS - Preliminary

- 3) Written consent must not be given until the AIP is satisfied:
  - a) It is no longer practical to replant to the same initially planted crop.
  - b) It is possible to make an accurate appraisal of potential production. Appraisals must represent maximum potential production expected with normal weather conditions and proper care.



## TYPES OF INSPECTIONS - Preliminary

- 4) When AIP has given written consent to destroy UH acreage, put acreage to another use or crop, or abandon the acreage, and insured has not done so, the following applies:
  - a) If insured continues to care for acreage and it is harvested, AIP will use harvested production.
  - b) The acreage can be re-appraised if harvest becomes general in the county (area) or additional damage occurs.
  - c) For some crops, such as table grapes, the CP indicate the insured must not destroy the damaged crop until the earlier of 15 days from the date the insured gave notice or the AIP gives written consent to do so.



## TYPES OF INSPECTIONS - Preliminary

- 5) During the preliminary inspection, inform the insured that:
  - a) If acreage is put to another use without written consent, an appraisal will be assigned for such acreage of not less than the amount of the production guarantee.
  - b) When prior written consent is given and the acreage is not put to another use before harvest, or the acreage is harvested, the indemnity will be determined without regard to the written consent or appraisal made.



## TYPES OF INSPECTIONS - FINAL

### A. General Information

- A final inspection must be made in order to document production, acreage, insured and uninsured COL, and the amount of indemnity.
  - 1) To make adequate determination, actual visits to the field(s) must be made.
  - 2) Consider information from preliminary inspections.
  - 3) Make additional determinations as required to establish the amount of production and loss.



## TYPES OF INSPECTIONS - FINAL

- 4) Refer to specific procedures in this handbook and individual crop LASH for more information regarding determinations of total production, acreage, appraisals, insured/uninsured causes, shares.
- 5) Use representative strips the insured has left at harvest time, to determine whether harvested production is comparable to production in the strips.



## TYPES OF INSPECTIONS - FINAL

- 6) Review the determinations of any inspection giving written consent for other use of a part of the total acreage in a unit.
- 7) If the claim is filed by any FCIC employee or AIP employee; or LAC, agent, or anyone directly affiliated with FCIC, or an AIP; the claim must be reviewed by the AIP prior to payment of the claim.



## TYPES OF INSPECTIONS - FINAL

- 8) Do not finalize claims until you are satisfied with all determinations.
- 9) If an indemnity is due, refer to the individual crop LASHs for procedure in completing the claim.
- 10) No Indemnity Due claims may be due to production exceeding the guarantee.



## TYPES OF INSPECTIONS - FINAL

### B. End of Insurance Period

- 1) When the calendar date for the EOIP has been reached and the crop has not been harvested, appraised production will be used to adjust the loss if the crop will not be harvested.



## TYPES OF INSPECTIONS - FINAL

- 2) AIPs may settle claims based on harvested production by authorizing additional time to harvest on a case-by-case basis if the:
  - a) AIP determines and documents the delay in harvest is due to an insured COL;
  - b) insured proves that harvest was not possible; and
  - c) delay in harvest was not due to uninsured causes of loss.



## TYPES OF INSPECTIONS - FINAL

### C. Delayed Claim

- 1) A delayed claim is when the insured submits a claim later than the following:
  - a) For policies other than RP, 60 days after the date of the EOIP for all acreage in the unit.
  - b) For RP, the later of:
    - i. 60 days after the last date the harvest price is released for any crop in the unit; or
    - ii. The date determined in accordance with (a) above; i.e., 60 days after the date of the EOIP for all acreage in the unit.



## TYPES OF INSPECTIONS - FINAL

- 2) The insured must submit a claim within the timeframe stated in above, unless the insured requests an extension in writing and the AIP agrees to such request. Extensions will only be granted if the amount of loss cannot be determined within such time period because the information needed to determine the amount of the loss is not available; or



## TYPES OF INSPECTIONS - FINAL

- 3) For insured crops with provisions allowing delayed measurement of farm-stored production;
  - a) the insured has harvested farm-stored production and elects, in writing, to delay measurement of the farm-stored production and settlement of any potential associated claim for indemnity.
  - b) When an insured requests delayed measurement of his or her farm-stored production for up to 180 days after the EOIP, the following procedures will apply:



## TYPES OF INSPECTIONS - Replanting

### A. Practical to Replant

- Section 9 in the BP provides that when the crop is damaged and it is practical to replant, the crop must be replanted in order to maintain insurability.
  - 2) If AIP determines it is practical to replant, the acreage cannot be released to go to another crop. If insured does not replant or plants another crop; the AIP:
    - a) Will not pay an indemnity on such acreage; and
    - b) Will revise AR to designate such acreage as uninsurable.



## TYPES OF INSPECTIONS - Replanting

- 3) AIPs must be cautious to not prematurely determine that it is not practical to replant, especially in situations where there is a lighter stand, dry soil conditions, and the possibility that precipitation may occur or there is sufficient time to produce a crop before the calendar date for the EOIP.



## TYPES OF INSPECTIONS - Replanting

- 4) Insured notifies AIP of intent to replant, but the AIP determines it is not practical to replant:
  - a) During farm visit, appraise acreage. Inform insured that it is not practical to replant, but the AIP will release the acreage for another use if the insured desires. If the insured elects to plant the same insured crop within or prior to the late planting period or after the final planting date if no late planting period is applicable, unless otherwise specified in the SP, the crop will be considered an insured replanted crop and no replanting payment, if applicable, will be paid. Any indemnity will be based on the greater of the:



## TYPES OF INSPECTIONS - Replanting

- i. AIP's appraised production on the initially planted crop;
- ii. AIP's subsequent appraisal of the replanted crop, if not harvested; or
- iii. harvested production from the replanted crop.



## INSPECTION DUTIES & RESPONSIBILITIES

Part 8



### INSPECTION DUTIES & RESPONSIBILITIES

- 1) Review all documents in folder or data from the processed documents that are applicable to the inspection. Some information must be verified by the adjuster during the on-the-farm visit.
- 2) Ensure there is a properly accepted application confirmed by a policy confirmation.
- 3) Verify all timely completed and submitted policy changes for the crop have been processed.
- 4) Verify whether any WA is in effect.





## INSPECTION DUTIES & RESPONSIBILITIES

- 5) Verify the following using the AD:
- a) The actuarial classification on AR and/or Summary of Coverage is correct for land location.
  - b) The insured's correct map area actuarial classification utilizing the actuarial maps. Verify if the location of the insured's land lies within a high risk area, or in an unrated area identified on the actuarial map.
  - c) The insurability of the actual cropping practices performed, types, varieties, classes, or subclasses planted and intended uses of the crop.
  - d) The COL is not excluded for this crop or county in the AD.
  - e) SP statements for the crop and county being inspected have been followed.

## INSPECTION DUTIES & RESPONSIBILITIES

- 1) If after ARD, there must be an AR on file with the AIP before a claim can be filed.
- 2) Verify with insured the correctness of all AR information, including whether all crop acreage has been reported. For non-loss units, verifications other than with the insured do not have to be made. For loss units, verification with the insured as well as other field verification requirements must be made. Acreage must be “determined” for loss units but not non-loss units.

## INSPECTION DUTIES & RESPONSIBILITIES

- 3) Prior to a farm visit, if an error is found in AR information requiring a revised AR, complete an inspection and continue verification of information on AR.
- 4) Verify any harvested production from uninsured or uninsurable acreage was kept separate from the insured acreage.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 802(3)(4)

LAM - 111

- The adjuster must verify acreage on which crop is planted is insurable, in accordance with the BP, CP, and SP.
- If uninsurable acreage is detected, notify your next level of supervision, and document on a Special Report the reason why the acreage is uninsurable.

## INSPECTION DUTIES & RESPONSIBILITIES

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 803

LAM - 112

# INSPECTION DUTIES & RESPONSIBILITIES



Verify whether the crop is insured in accordance with the BP, CP, and SP.



When adaptability of seed or plant type/variety to the area is questionable (e.g., varieties not commonly produced in the area), consult with experts as applicable.



If determined the crop or part of the crop acreage is not insurable, the AR must be revised to show as uninsurable.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 804(1)(2)(3)

LAM - 113

# INSPECTION DUTIES & RESPONSIBILITIES



Unit verification will be made by the adjuster during an on-the-farm inspection; however, no further division of OUs will be made after the ARD.



BUs will be corrected when found to be in error.

© NCIS 2021

2021 LAM (FCIC-25010-1) (LAM) – Par. 805

LAM - 114

## INSPECTION DUTIES & RESPONSIBILITIES

---

- 1) Verify insured has an insurable interest in the crop.
- 2) Verify there is only one share for the spouses shown on the AR, unless the spouses are legally separated or separate under State law. If two crop insurance policies are identified, it must be verified that the spouses qualify for separate policies.
- 3) Document the sources used for share verification and anything else pertinent to the share verification.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 806(1)(2)(3)

LAM - 115

## INSPECTION DUTIES & RESPONSIBILITIES

---

- 4) When it is questionable whether the insured has an insurable interest in the crop, document the circumstances on a Special Report.
- 6) If the person type reported is questionable or incorrect, document the facts and refer the case to the next line of supervision or to whom the AIP has instructed.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 806(4)(6)

LAM - 116

# INSPECTION DUTIES & RESPONSIBILITIES

- 1) If the shares on the crop insurance by crop, do not agree with the shares on marketing records, lease or share agreements, FSA-578 or other documents or actions of the insured that reflect crop share, resolve these discrepancies as follows:

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 807(1)(a)(b)(c)

LAM - 117

## INSPECTION DUTIES & RESPONSIBILITIES



Determined acres are required on some preliminary claims and all final claims as specified in the LASHs.



Determined acres must consist of only insurable crop acres.



For producers utilizing PFTS, electronic record outputs for planted and harvested acreage may be acceptable.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 821

LAM - 118



## INSPECTION DUTIES & RESPONSIBILITIES

- Use the following procedures for determining acreage:
  - A. FSA Measured Acres
  - B. Measurement Service
  - C. Differences in Acreage Measurements
  - D. Previously Measured Acreage



## INSPECTION DUTIES & RESPONSIBILITIES

A certification form is used when insured is unsure of intended use, or has agreed to take a certain action, and claim cannot be completed until actual use can be verified, or the insured has completed the agreed upon action.



## INSPECTION DUTIES & RESPONSIBILITIES

1. The insured COLs are identified in CP. Coverage of insured COLs must be due to drought, flood, or other natural disasters.
2. When adverse weather is the COL, RMA requires PW show the adverse weather event.
3. If flooding is a named insured peril in CP and due to excess precipitation, water spills over a containment structure or there are controlled releases of water from the containment structure to mitigate flooding, any flooding downstream is an insurable COL.



## INSPECTION DUTIES & RESPONSIBILITIES

4. The insured must establish the COL; the adjuster will:
  - a) Verify COL during on-the-farm inspection.
  - b) Be satisfied damage or loss is due to one or more insured causes(s) of loss. Each inspection must be an individual determination. If COL appears different from what insured stated, document the facts.



## INSPECTION DUTIES & RESPONSIBILITIES

When hail and fire have been excluded as insurable causes of loss and hail or fire is determined to be the sole COL, there generally will be no indemnity.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 842

LAM - 123



## INSPECTION DUTIES & RESPONSIBILITIES

- As specified in BP, only unavoidable loss directly caused by causes of loss contained in CP are covered.
- All other causes of loss, except where CP specifically cover loss of revenue, must be due to a naturally occurring event.
- All other COLs, including, but not limited to the following are not covered:

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 843

LAM - 124



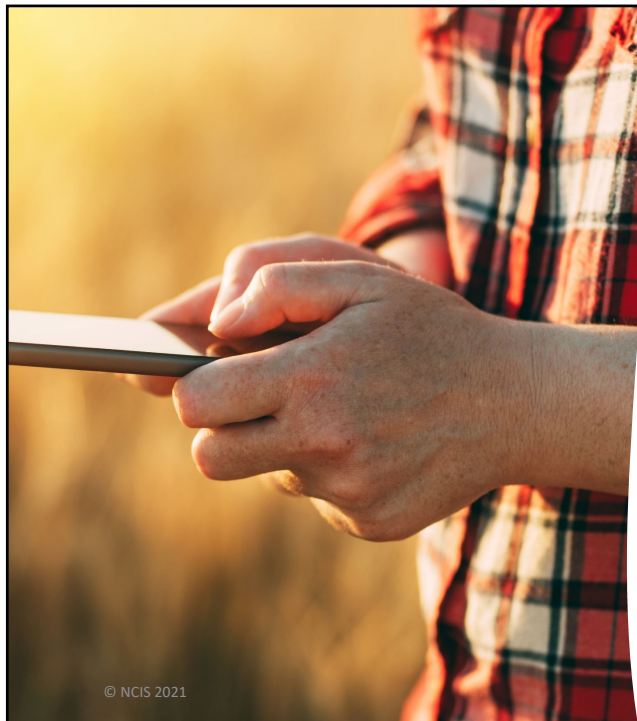
# INSPECTION DUTIES & RESPONSIBILITIES

1. Acreage where the producer stopped caring for the crop, is considered abandoned, even if damaged by an insurable COL. An appraisal must be assessed when the crop is abandoned.



## ESTABLISHING PRODUCTION

Part 9



© NCIS 2021

## ESTABLISHING PRODUCTION

The insured is required to keep complete records of planting, replanting, inputs, production, harvesting, and disposition of the crop on each unit for three years after the end of the crop year.

This requirement also applies to all records for acreage that is not insured.

The insured must make records available to the AIP, or any employee of USDA authorized to investigate or review any matter relating to crop insurance.

2021 LAM (FCIC-25010-1) – Par. 901(1) LAM - 127

## ESTABLISHING PRODUCTION

© NCIS 2021

The insured is responsible for providing separate records of production for each unit.

In loss situations, the insured must notify AIP for measurement of stored production when production from another unit, crop year, or uninsured acreage is to be added to existing production in a single storage structure prior to adding such production.

2021 LAM (FCIC-25010-1) – Par. 901(2)

LAM - 128

## ESTABLISHING PRODUCTION

If adjuster determines during inspection that separate records have not been kept for each unit, refer to commingled production.

Adjuster must establish total production for each damaged unit from appraisals of UH production, appraisals for uninsured causes, prorated production from unreported units, measuring farm-stored production, and from verifying harvested production.

The total production for damaged unit is insured's production share plus production share of each person sharing in unit.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 901(3)(4)

LAM - 129

## ESTABLISHING PRODUCTION

Adjuster must obtain and document an estimate of total production per acre for each undamaged or non-loss unit of the indemnified crop.

Adjuster must accurately determine and enter in the amount of established production for the entire damaged unit including production from unreported unit(s).

Production from unreported units discovered at loss time will be counted.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 901(5)(6)

LAM - 130

During an inspection, any acreage not carried to harvest and an accurate appraisal of potential production cannot be made, do not release to another use until an accurate appraisal can be made or RSAs are left for later appraisals.

If inspection is performed when production can be determined accurately by appraisal and crop is not being carried to harvest, appraise production by unit, and grant written consent to put insured acreage to another use.

## ESTABLISHING PRODUCTION



© NCIS 2021 2021 LAM (FCIC-25010-1) – Par. 921A(1)(2)

LAM - 131

### A. General Information

- 1) RSAs are areas of a field the AIP authorizes insured to leave when insured wants immediate release to go to another use, replant, etc., but appraisal cannot be made.
- 2) If insured put acreage to another use and left RSAs prior to notifying and receiving approval from the AIP, the acreage is considered destroyed without consent.

## ESTABLISHING PRODUCTION



© NCIS 2021 2021 LAM (FCIC-25010-1) – Par. 924A(1)(2)

LAM - 132

- 3) RSAs are used when any of the following apply:
- a) Heavy workloads exist and timing is critical to give consent to put acreage to other use.
  - b) Insured desires immediate release of acreage to put acreage to another use.
  - c) Insured's disagreement with appraisal, and the AIP agrees to allow insured to leave RSAs.
  - d) Sample areas are required by policy.

## ESTABLISHING PRODUCTION

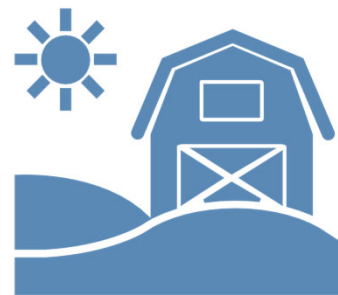


© NCIS 2021 2021 LAM (FCIC-25010-1) – Par. 924A(3)(a)(b)(c)(d)

LAM - 133

## ESTABLISHING PRODUCTION

- 1) Harvested production will be verified or determined by the following:
- a) Acceptable evidence of third party sales and/or commercial storage.
  - b) Measuring farm-stored harvested production.
  - c) Comparing harvested production to appraisals made from UH areas when reported harvested production is questionable.
  - d) Comparing reported production to appraisals and production when there is reason to question the reported harvested production.



© NCIS 2021 2021 LAM (FCIC-25010-1) – Par. 931(1)(a)(b)(c)(d)

LAM - 134

- e) Weighed and farm-stored records.
- f) Verifiable farm management records from producers using PFTS.
- g) If insured claims entire unit has been harvested, verify all areas are harvested.
- h) When insured is vertically integrated and cannot provide records of production from a disinterested third party, the production evidence listed in the CIH can be submitted as acceptable records.

## ESTABLISHING PRODUCTION



© NCIS 2021 2021 LAM (FCIC-25010-1) – Par. 931(1)(e)(f)(g)(h)

LAM - 135

### A. Harvested Production Records and Receipts

- 1) Verify with insured names(s) production has been sold on insured acreage.
- 2) Verify harvested production records against third-party summary/settlement sheets or storage receipts/summary from:
  - a) Commercial Elevators
  - b) Packing Houses
  - c) Mills
  - d) Gins
  - e) Seed Companies
  - f) Marketing Cooperatives
  - g) Warehouses
  - h) Processors

## ESTABLISHING PRODUCTION



© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 932A(1)(2)(a)(b)(c)(d)(e)(f)(g)(h)

LAM - 136

- 3) Acceptable third-party summary/settlement sheets or storage sheets must contain:
- a) Name and address of buyer or commercial storage facility;
  - b) Insured's name;
  - c) Load number or ticket number;
  - d) Crop;
  - e) Gross weight;
  - f) Tare weight;
  - g) Gross bushels, if gross weight and tare weight of the conveyance are not provided by the buyer or storage facility; and
  - h) Date weighed.

## ESTABLISHING PRODUCTION



© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 932(3)(a)(b)(c)(d)(e)(f)(g)(h)

LAM - 137

- 4) Unit and/or field identification from which production was harvested that can be correlated to the unit numbers. The insured must handwrite this information on the third-party record.

## ESTABLISHING PRODUCTION



© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 932(4)

LAM - 138

- 5) In addition to (3) above, grain crop third-party sales or storage records should also contain at least the following:
- a) FM percentage,
  - b) Moisture percentage, and
  - c) Test Weight.
- The records can be accepted if this information is not contained on the records; however, no adjustments can be made for any of these items since the information is unknown.

## ESTABLISHING PRODUCTION



© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 932(5)(a)(b)(c)

LAM - 139

- 6) Adjustments to the delivered gross production.
- a) Third-party sales and storage records may contain adjustments to the gross production that may or may not be able to be used for loss adjustment purposes.
  - b) For some crops and types of damage, adjustments to gross production must be based on the deficiencies determined by the authorized grader prior to the crop being delivered for sale or prior to being placed in commercial storage.

## ESTABLISHING PRODUCTION



© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 932(6)(a)(b)

LAM - 140

- 1) Fed production is considered PTC when determining total production on a unit.
- 2) AIPs should encourage producers to have any quantity of production intended for feed measured or appraised by the AIP to determine the amount of production/moisture and quality before feeding; otherwise, the insured is responsible for maintaining allowable farm management records.

## ESTABLISHING PRODUCTION



© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 933(1)(2)

LAM - 141



## DETERMINING AND RECORDING THE QUALITY OF FARM STORED PRODUCTION

Part 10

## DETERMINING & RECORDING QUALITY OF FARM STORED PRODUCTION

Measure	Reflect	Record
Accurately measure storage structure(s). If possible, the measurements must be inside measurements.	If inside measurements are not possible, the measurements must reflect the wall thickness of the structure.	Record measurements in feet to tenths. All obstructions must be found and deducted from the volume of the grain or silage.

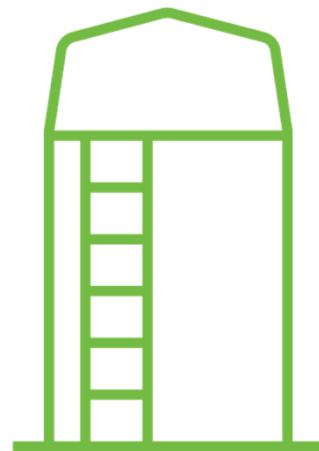
© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 1001(1)(2)

LAM - 143

## DETERMINING & RECORDING QUALITY OF FARM STORED PRODUCTION

- 3) Caution – Do not enter storage structures:
  - a) That are airtight.
  - b) Without someone there to assist.
  - c) If the stored production has been treated with any chemicals and the re-entry time has not elapsed.
- 4) If a stirring device is being used, advise the insured that accurate measurements cannot be made unless stirring is stopped at least 4 to 6 days.



© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 1001(3)(a)(b)(c)(4)

LAM - 144

## DETERMINING & RECORDING QUALITY OF FARM STORED PRODUCTION

Working with insured, ensure all storage structures containing production for the units being inspected have been measured.

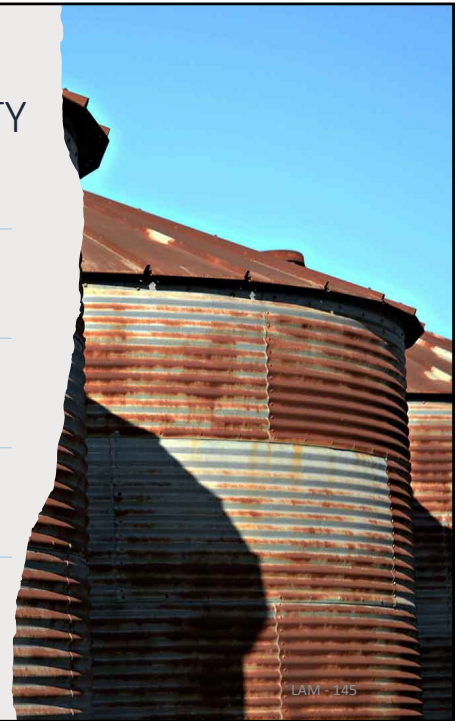
AIPs must include storage structure location charts and measurement calculations for all farm-stored measured in the claim folder.

Do not finalize the claim until the insured has confirmed all structures have been accounted for and that production for all entities sharing in the crop(s) has been included.

Current FSA measurements of storage structures are acceptable if all the criteria shown in paragraph 703 have been met.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 1001(5)



## ADJUSTMENTS TO PRODUCTION

Part 11

## ADJUSTMENTS TO PRODUCTION

### General Information



- 1) Adjustments are allowed for the following:
  - a) Moisture when the moisture percentage meets the requirements stated in the CP or endorsement.
  - b) FM or Conspicuous Admixture or Admixture and/or dockage, as defined by FGIS.
  - c) If there is a conflict about FM and/or dockage instructions between the LAM and individual crop LASH, the LAM will prevail.
  - d) Low quality caused by an insurable cause of damage.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 1101(1)(a)(b)(c)(d)

LAM - 147

## ADJUSTMENTS TO PRODUCTION

- 2) Moisture and FM and/or dockage determinations may be made by:
  - a) Grain handlers at commercial facilities that buy or store grain,
  - b) FGIS Field Offices or FGIS-designated or delegated entities; or
  - c) The adjuster.
- 3) All deficiencies and conditions of the crop for which QA applies must have been graded by the entity specified in the CP. Test weights of farm-stored production may be determined by the adjuster. Samples to make determinations cannot be obtained by the insured or insured's representative. Samples must be obtained by an adjuster or AIP-approved disinterested third party who is trained to take samples.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 1101(2)(a)(b)(c)(3)

LAM - 148

## ADJUSTMENTS TO PRODUCTION



Some policies/endorsements provide for a reduction in the mature PTC when the quality of appraised and/or harvested mature production is reduced due to insurable causes.



The quantity of mature PTC is reduced when it meets requirements stated in crop policy/endorsement. This adjusted production is used for indemnity and the APH Report.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 1102

LAM - 149

### A. Sample Requirements

- 1) Samples can be obtained and submitted for grading/analyzing only by the adjuster or a person who is:
  - a) A disinterested third party;
  - b) Trained, to the AIP's satisfaction, how to extract representative samples; and
  - c) Approved by the AIP to obtain and submit the samples for grading.

## ADJUSTMENTS TO PRODUCTION

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 1102A(1)(a)(b)(c)

LAM - 150

# ADJUSTMENTS TO PRODUCTION

Mature production will be reduced for moisture when it meets the requirement stated in the CP/endorsement.

Refer to the specific CP and LASH for applicable hybrid seed programs that provide adjustments for excess and deficient moisture percentages.

Moisture adjustment charts are contained in each applicable LASH.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 1103(1)(2)(3)

LAM - 151

- 4) Moisture percentages are established from individual load slips or settlement sheets. The gross production of wet production and the actual moisture percentage must be determined before moisture adjustment. Methods used to discount high moisture grain include, but are not limited to the following:
- a) Reduction of price in relation to the amount of moisture on the basis of currently established standards.
  - b) Applying additional dockage relative to the amount of moisture.
  - c) Applying additional discounts relative to the amount of moisture percentage.



## ADJUSTMENTS TO PRODUCTION

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 1103(4)(a)(b)(c)

LAM - 152

- 5) Moisture tests can be performed by:
- a) Grain handlers at commercial facilities that buy or store grain;
  - b) FGIS Field Offices, FGIS-designated, or FGIS-delegated entities;
  - c) Insureds to adjust their contemporaneous load records for excess moisture; or
  - d) Adjusters; provided the adjuster has a properly maintained, functioning, and calibrated moisture tester.



## ADJUSTMENTS TO PRODUCTION

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 1103(5)(a)(b)(c)(d)

LAM - 153

- 1) The term “FM” or “dockage” is sometimes used by buyers differently than the FGIS definition. The adjuster must determine the buyer’s determination of FM and/or dockage is made in accordance with the FGIS definitions in the grading standards, or of the applicable State or other entity.



## ADJUSTMENTS TO PRODUCTION

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 1104(1)

LAM - 154

- 2) When the term(s) for “FM” or “dockage” used by the buyer is not consistent with the FGIS definitions, the adjuster must work with the buyer to determine the percentage of FM and/or dockage deducted by the buyer that is consistent with FGIS’ definition for FM and dockage for the insured crop; otherwise, FM and/or dockage will not be allowed.

## ADJUSTMENTS TO PRODUCTION

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 1104(2)

LAM - 155



## UNUSUAL/ CONTROVERSIAL CASES & SPECIAL CLAIMS PROCEDURES

Part 12

Whenever the adjuster suspects problems in the information follow the procedures below.

- 1) Complete the inspection according to procedure.
- 2) Document findings during the inspection on the claim and Special Report.
- 3) Obtain insured's signature on claim. Obtain insured's signature on Special Report.
- 4) If a PW is used, do not sign the claim. If a MPCl Non-Waiver Agreement is used, the adjuster's signature is required.
- 5) Document on a Special Report the potential need for GSIs or pre-harvest appraisals.

## UNUSUAL/CONTROVERSIAL CASES & SPECIAL CLAIMS PROCEDURES



© NCIS 2021 2021 LAM (FCIC-25010-1) – Par. 1201(1)(2)(3)(4)(5)

LAM - 157

### A. Principles of Report Writing

- A report is written to convey concisely what the adjuster finds while on an inspection.
  - 1) The report should be flexible to fit requirements of subject matter and to whom it is submitted.
  - 2) The report should be thorough and concise.
  - 3) The tone of report should be objective and factual.
  - 4) The report should be legible.
  - 5) Use illustrations such as sketch maps, photos, videos, bin locations.
  - 6) Documentation should be reviewed with the next level of supervision.
  - 7) Do not make recommendations.

## UNUSUAL/CONTROVERSIAL CASES & SPECIAL CLAIMS PROCEDURES



© NCIS 2021 2021 LAM (FCIC-25010-1) – Par. 1202(1)(2)(3)(4)(5)(6)(7)

LAM - 158

## UNUSUAL/CONTROVERSIAL CASES & SPECIAL CLAIMS PROCEDURES

If insured will not agree with adjustment data, refer case to AIP. The AIP representative and adjuster will review case with insured and make every effort to resolve it.

If an agreement cannot be reached with insured, AIPs may use procedures in subparagraph A or AIP may use a MPCl Non-Waiver Agreement.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 1204

LAM - 159

## UNUSUAL/CONTROVERSIAL CASES & SPECIAL CLAIMS PROCEDURES

Most pesticides have a period of time that must lapse after application before it is safe to enter without wearing protective clothing and equipment. Normally, this is at least 8-48 hours.

At the time the appointment is set up, ask insured if field, orchard, or vineyard has been treated with pesticides or other chemicals.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 1205(1)(2)

LAM - 160

## UNUSUAL/CONTROVERSIAL CASES & SPECIAL CLAIMS PROCEDURES

1. The contract provides protection only against unavoidable loss of production due to the named insured COL that occur during the insurance period. Any loss from the cause(s) named is not insured if it was avoidable.
  - Loss due to insured taking inadequate measures to control insects, plant disease, or weeds is an uninsured COL.
  - If insured uses recognized and accepted measures to control insects or plant disease or weeds, these causes are considered unavoidable insured COLs.

## UNUSUAL/CONTROVERSIAL CASES & SPECIAL CLAIMS PROCEDURES

- The contract does not cover any loss due to insured's failure to follow recognized GFPs. Some uninsured COLs due to failure to follow recognized GFPs include:
  - 1) Failure to plant the recommended quantity of seed or transplants;
  - 2) Improper seedbed preparation;
  - 3) Failure to properly plant, care for, or harvest the insured crop;
  - 4) Failure to timely or properly apply the amounts of fertilizer for the crop and soil needs;
  - 5) Failure to timely or properly apply control measures for the control of insects, plant diseases, or weeds;
  - 6) Failure to apply adequate water under an IRR practice, failure to timely apply irrigation water, and/or failure to apply the recommended quality of irrigation water;
  - 7) Interplanting another crop into a growing insured cotton crop or other insured crop for which the CP do not provide coverage to do so;
  - 8) The use of chemicals resulting in damage to the insured crop; or
  - 9) Adherence to land lease restrictions result in failure to follow the recognized GFPs for the insured crop(s) and area.

## UNUSUAL/CONTROVERSIAL CASES & SPECIAL CLAIMS PROCEDURES

- 1) The insurance contract does not cover loss from any cause which is due to neglect or wrongdoing of the insured, any member of the insured's household, tenants, sharecroppers, employees, nor uninsured damage caused by a third party.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 1231(1)

LAM - 163

### UNUSUAL/CONTROVERSIAL CASES & SPECIAL CLAIMS PROCEDURES

---

Fire damage must be due to an insurable COL. The fire must be due to a naturally occurring event.

---

The insured must report and document COL. AIP must determine whether the loss is insurable.

---

When AIP verifies insured's documentation of fire, the AIP must verify documentation establishes the ignition source was due to a natural cause or natural disaster and within the insurance period.

© NCIS 2021

2021 LAM (FCIC-25010-1) – Par. 1232(A)(1)(2)(3)

LAM - 164

## UNUSUAL/CONTROVERSIAL CASES & SPECIAL CLAIMS PROCEDURES

This procedure applies to commingled production in storage structures or conveyances used to transport the harvest production.

It also applies to sold production shown on settlement sheets that has not been or cannot be separated by unit.

Production from the landlord's and tenant's share of the crop unit that is stored in the same structure is not considered commingled production.

## UNUSUAL/CONTROVERSIAL CASES & SPECIAL CLAIMS PROCEDURES

- 1) If the insured fails to report all units, the insured's share of production from the acreage in the unreported unit will be allocated to the acreage in the reported unit(s) in proportion to the liability on the insured acreage on each reported unit.



## UNUSUAL/CONTROVERSIAL CASES & SPECIAL CLAIMS PROCEDURES

- 1) The first crop year damage resulting from severe, insect, disease, weed infestations, or wildlife damage will generally be considered unavoidable if insured was unaware of the conditions at planting time.



## UNUSUAL/CONTROVERSIAL CASES & SPECIAL CLAIMS PROCEDURES

- 1) Although chemical carryover is not a named insured peril under the insurance contract, any loss of production caused by chemical carryover damage resulting from a named peril is covered, provided the insured followed GFPs.



## FARM SERVICE AGENCY

Part 13

## FARM SERVICE AGENCY

- Although insured producers are not required to certify acreage to FSA, AIPs may use information or documents from FSA as one option to verify and/or determine data for loss adjustment inspections.