

Simplified Claim Process Instructions

The Simplified Claims Process (SCP) was developed to allow insured's to self-certify harvested production and unit acreage on claims when certain criteria are met. The SCP allows the insured a quicker turnaround on claim processing when the certification is properly completed.

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The guidelines for a claim to qualify for the SCP are addressed in Para. 1243 of the 2018 Loss Adjustment Manual (attached)

To initiate the SCP the insured must complete the "Simplified Claims Process (SCP) Qualification and Notice of Loss" form as completely as possible.

In addition to the "SCP Qualification and The insured must submit copies of the settlement sheets/summary sheets with units identified and aerial photos or FSA 578 producer print identifying the specific crop and number of acres planted in each field for each unit for which the insured is claiming a loss.

After submitting this information to the company, a review will be performed to determine if the insured meets all the applicable criteria to have the claim as an SCP loss. If any of the criteria are not met the claim will be required to be worked under normal loss procedures and a Crop Risk Services Claims Representative will be contacting you to setup an appointment to adjust the loss.

Please return completed documentation to:

Mailing Address:

Crop Risk Services
132 South Water Street
Suite 500
Decatur, IL 62523

E-mail: claims@cropriskservices.com

Fax: 217-619-7829 (Attn: Claims)

1234 Unreported Units

- (1) If the insured fails to report all units (acreage that could have been established as a separate unit), 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 (do not include share) on the insured acreage on each reported unit.
- (2) If an insured reports zero acres for a unit and it is determined that there are insurable acres, it will be considered to be an unreported unit. If an insured reports uninsured acreage on the AR that is determined to have been a unit of insurable acreage, the unreported unit procedure will apply.
- (3) No production from unreported units will be allocated to PP acreage or otherwise affect any PP payment. The calculation examples in (8) below show how the production is proportioned to the liability. No premium will be charged for the acreage on the unreported unit (s).
- (4) Production from the unreported unit(s) is allocated to reported units of the same crop in the same county, unless the 'county' definition in the policy/endorsement or a WA specifies otherwise.
- (5) Production from the unreported unit(s) can only be established from harvested and/or appraised production. If no production has been harvested and/or appraised from an unreported insurable unit and this unit is destroyed prior to the adjuster's knowledge of its existence, potential production cannot be assessed for this unreported unit. At the time an unreported unit is discovered, appraise unreported unit acreage any time it is suspected or known that the crop will not be harvested or production will be harvested and stored in such a manner that the production cannot be established at a later date. The appraised production from the unreported unit will be allocated to the reported unit(s).
- (6) Advise the insured that production from the unreported unit will not be counted for APH purposes for the reported unit even though it will be apportioned to it; however, the unreported unit production will be counted for APH purposes for the unreported unit.
- (7) Claims cannot be finalized until the production (preferably harvested rather than appraised) from unreported units is established for allocation.
- (8) Calculate the production from the unreported acreage unit, as follows:
 - (a) If there is an unreported unit of an insurable type that has a different unit of measure (harvested with that unit of measure) than the reported unit, convert the harvested production from the unreported unit to the unit of measure of the reported unit types.
Example: There is an unreported unit of corn silage type (harvested silage production) and reported units of corn grain type (both types insurable in the county). In this case, follow the calculation instructions in the CIH for converting harvested corn silage production unit of measure (tons) to corn grain unit of measure (bushels).

1234 Unreported Units (Continued)

- (b) If only one unit is reported, the insured's share of the gross production adjusted for all applicable adjustments; e.g., moisture, test weight (if farm-stored), FM, and quality if applicable (net production) from the unreported unit divided by the insured's share of the reported unit will be the amount allocated to the reported unit.

Example: An unreported unit consisting of 50 acres with 1500.0 bu. of harvested production was found when completing a final loss inspection. It was determined that the insured had a fifty percent (50%) share in the unreported unit. The insured's share in the reported unit was seventy-five percent (75%).

Step 1: 1500.0 bu. X .500 = 750.0 bu. share of unreported unit.

Step 2: 750.0 bu. (insured's production share of unreported unit) ÷ .750 (share percent of reported unit) = 1000.0 bu. to be allocated to the reported unit.

Although the allocated production to the reported unit was increased in this example, it will be reduced to the correct share of production (750.0 bu.) when the indemnity amount is multiplied by the reported unit share (.750).

- (c) If more than one unit was reported, calculate the allocation of production from the unreported unit to each reported unit in proportion to the liability on the insured acreage as follows (liability as stated in A(1) above is called coverage):
- (i) For each reported unit, calculate the coverage for the insured acreage (insured acres x per-acre guarantee x price (P) = unit coverage.). Price is the applicable harvest price, projected price for RP plan, insured's elected percentage of projected price for YP plan, insured's elected percentage of amount of insurance or price election, or price adjusted when the CP specify a reduced price for UH production.
 - (ii) Total the unit coverage for the insured acreage on all reported units to obtain the contract coverage.
 - (iii) Divide the unit coverage by the contract coverage to obtain the unit coverage factor (four-place factor).
 - (iv) Multiply the insured's share of unreported unit (s) production (appraised and harvested) by the unit coverage factor and divide the result by the share on the reported unit to obtain the apportioned unreported production for each reported unit.

1234 Unreported Units (Continued)

Example: Unreported acreage of 200.0 acres of wheat with 6,000.0 bu. of harvested production was found when completing a final loss inspection. It was determined that the insured had a fifty percent (50%) share in this acreage with the harvest price. The insured's share of production to be allocated would be 3,000.0 bu. Unit 0001-0001OU had 140.0 insured acres; unit 0001-0002OU had 100.0 insured acres; and unit 0001-0003OU had 200.0 insured acres.

Step 1: Unit 0001-0001OU: 140.0 acres x 30.4 bu. guarantee x \$2.00 harvest price = \$8,512 unit coverage for unit 0001-0001OU

Unit 0001-0002OU: 100.0 acres x 22.2 bu. guarantee x \$2.00 harvest price = \$4,440 unit coverage for unit 0001-0002OU

Unit 0001-0003OU: 200.0 acres x 24.8 bu. guarantee x \$2.00 harvest price = \$9,920 unit coverage for unit 0001-0003OU

Step 2:	Unit 0001-0001OU coverage	\$8,512
	Unit 0001-0002OU coverage	\$4,440
	Unit 0001-0003OU coverage	<u>\$9,920</u>
	Contract coverage	\$22,872

Step 3: $\$8,512 \div \$22,872 = .3722$ unit 0001-0001OU coverage factor
 $\$4,440 \div \$22,872 = .1941$ unit 0001-0002OU coverage factor
 $\$9,920 \div \$22,872 = .4337$ unit 0001-0003OU coverage factor

Step 4: 3000.0 bu. = insured's share from the unreported unit
(6000.0 x .500 = 3000.0)

$3000.0 \text{ bu.} \times .3722 = 1116.6 \div 1.000 = 1116.6 \text{ bu.}$ to be allocated to unit 0001-0001OU

$3000.0 \text{ bu.} \times .1941 = 582.3 \div 1.000 = 582.3 \text{ bu.}$ to be allocated to unit 0001-0002OU

$3000.0 \text{ bu.} \times .4337 = 1301.1 \div .500 = 2602.2 \text{ bu.}$ to be allocated to unit 0001-0003OU

The allocated production for unit 0001-0003OU was increased to 2602.2 because it will be reduced to the correct share of production (1301.1) when the indemnity amount is multiplied by the reported unit share (.500).

- (9) For claims having a harvested (H) stage and/or destroyed without consent (P) stage, enter the apportioned net production on a separate line in the "Bu. Lbs. Cwt. or Tons" column. Identify this line as such by entering the words "Unreported Unit Production" in the "Length" and "Width, Depth, and Deduction" columns. If production is stored on the farm, enter net production in the "Bu. Lbs. Cwt. or Tons" column. Refer to (11) below for documentation requirements.

1234 Unreported Units (Continued)

- (10) For claims having only an UH stage, in the “Uninsured Causes” column, using only one line, enter a per-acre amount of production (total allocated production ÷ number of acres for the line) that will equal the total allocated production or come as close as possible to the total allocated production without exceeding it when the per-acre amount is multiplied by the acres on that line.

If possible, choose a line that does not have an actual uninsured cause appraisal in the “Uninsured Causes” column. However, if you must use a line that will have an actual uninsured cause appraisal in the “Uninsured Causes” column, add the per-acre amount of net production calculated for the allocated production to the uninsured cause appraisal.

Example: On the PW, the line selected to make the entry in the “Uninsured Causes” column showed 50.3 acres in the “Final Acres” column. 743.7 (total allocated production) ÷ 50.3 acres = 14.785 bu. This would be entered as 14.7 in the “Uninsured Causes” column) rather than 14.8 since 14.8 bu. x 50.3 acres = 744.4 bu., which would exceed 743.7 bu. (the total allocated production).

- (11) Enter the allocated net production in item 71 of the PW as instructed in the PW entries and completion procedures for the applicable crop LASH.
- (12) Document the following in the Narrative of the claim or on a Special Report: (If a Special Report is used, attach a copy to each claim.)
- (a) For actual production from the reported and unreported units, identify the location of the unreported unit by legal description and field I.D. number;
 - (b) The calculations used to arrive at the production allocated to the reported unit(s); and
 - (c) If the “Uninsured Causes” column has been used for the unreported-unit production, identify which line was used; e.g., line 2. Also, if any actual uninsured cause appraisal has been included with the allocated production in the “Uninsured Causes” column, separately identify the amount of each.

1235 Claims Involving Severe Wildlife Damage, Insect, Disease, or Weed Infestation

- (1) The first crop year damage resulting from severe wildlife damage (only CP which mentions control measures for wildlife), insect, disease, or weed infestations (such as cheat grass) will generally be considered unavoidable if the insured was unaware of the conditions at planting time. However, if:
- (a) It is determined that the insured was (or should have been) aware of the wildlife presence, insect, disease, or weed infestation at planting time or later but did not follow appropriate recognized GFPs (e.g., crop rotation or soil treatment practices), or recognized wildlife control measures that could be effectively used on agricultural acreages, some or all of the loss will be considered an avoidable (uninsured) COL.
 - (b) A disease resistant variety exists for a disease that agriculture experts in the local area are recommending be planted, and the insured does not plant such a variety, the disease is considered to be an avoidable COL, even in the first year.