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Crop Watch is published by American Farm Bureau Insurance Services, Inc. and is intended for informational purposes only. Nothing contained herein can or should be interpreted to take precedence over policy language, Federal Crop Insurance Corporation/ Risk Management Agency regulation, and Underwriting or Loss Adjustment rules.

Controlled Business Requirements of the Food, Conservation, & Energy Act of 2008

Section 12005, "Controlled Business Insurance" of the 2008 Farm Bill, condensed to simple layman's terms, provides that no individual (insurance agent) may receive any compensation (meaning commissions or any other benefit) for the sale or service of a policy or plan of insurance offered under the Act (meaning policies reinsured under the Federal Crop Insurance Corporation) if the total compensation to be paid to the individual (agent) is more than 30% of the individual's (agent's) income from these Federally reinsured policies that are written for member's of the agent's immediate family. Immediate family is defined as your spouse, father, mother, stepfather, stepmother, brother, sister, stepbrother, stepsister, son, daughter, stepson, stepdaughter, grandparent, grandson, granddaughter, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, or the spouse in any of those mentioned.

Simply stated, if you receive more than 30% of your income on Federally Reinsured (MPCI) policies from policies which are written on immediate family members, you should as soon as possible (must be accomplished prior to commissions being issued) find another agent to which to transfer your family related policies to reduce your commissions below the 30% rule.

Penalties for non-compliance with this 30% rule can be a civil fine of \$10,000 or more.

Please review your book of business to make this determination. If you have questions or concerns, or need help, please contact Dwight Williams at the Raleigh Regional Office at 888-248-3588.

AFBIS INFORMATION

Mailing Address:	Physical Address:
PO Box 29627 Raleigh, NC 27626	5171 Glenwood Avenue Suite 310 Raleigh, NC 27612
Underwriting Phone:	Claims Phone:
1-888-248-3588	1-800-965-5766
Fax:	Office Hours:
1-919-783-3520	8:15am-4:30pm
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**THE RALEIGH REGIONAL OFFICE
WILL BE CLOSED MONDAY, MAY
25TH IN OBSERVANCE OF
MEMORIAL DAY. WE WILL REOPEN
ON TUESDAY, MAY 26TH**

CONFLICT OF INTEREST DISCLOSURE

All policies should be reviewed to determine if a familial, business, financial or legal relationship exists between the agent and policyholder. A Conflict of Interest form must be submitted for any policy in which this applies. If a familial, business, financial, or legal relationship is entered during the crop year, this must be disclosed within 15 days of entering the relationship.

<u>Final Date to Report a Claim</u>	<u>Crops</u>	<u>States</u>
6/15/09	Nursery	AR, KY, NC, OK, TN & VA



Early Season Claims

If an insured submits a notice of claim prior to the completion of the acreage report, it is imperative that the acreage report is completed as soon as planting is completed. Crop adjusters can inspect damage anytime after planting, but the claim cannot be finalized until the Proof of Loss form is generated from the information contained in the timely filed acreage report. Prior to completing the acreage report, we would encourage the insured to certify acreage and shares with the FSA office. They should ask for the FSA form 578 which will assist in accurately insuring all acres and the correct share arrangement when completing the AFBIS, Inc acreage report.

Replant Claims- For crops with a replant provision, please remember

1. The insured must file the claim before the replant occurs
 2. A "replant" means replanting the same crop.
 3. The replant must be at least 20 acres or 20% of the acres in the unit.
 4. An adjuster must be able to inspect the original planting
- * There are no replant payments on CAT, GRP, or GRIP policies*

Prevented Planting Requirements

The prevented planting crop, unit number, legal description and acreage must be identified on the Notice of Claim. Also, the PP acres must be listed on the acreage report. The Claim Notice is not a substitute for reporting PP acres on the acreage report.

Nursery Information

Nursery crop insurance is available in all counties and in all states provided certain criteria are met. Insurance coverage will apply to all field grown and containerized nursery plants in the county that are: shown on the Eligible Plant List, meet all requirements for insurability & are grown in an appropriate medium using acceptable production practices



New Insured Responsibilities

- A completed Application
- A Plant Inventory Value Report (PIVR) for each plant type within a practice
- Two copies of the most recent wholesale catalog or price list
- Coverage will not attach until 30 days after all information is received & an inspection is performed to determine insurability

Carryover Insured Responsibilities

- An updated Plant Inventory Value Report (PIVR)
- Two copies of the most recent wholesale catalog or price list
- If all completed documentation is not provided on or before May 1, 2009, insurance will not attach until 30 days after documents are received. American Farm Bureau is not liable for any losses that occur before insurance has attached



Important Dates

May 1, 2009– Sales Closing Date for 2010 Crop Year
May 31, 2009– End of Insurance for 2009 Crop Year
June 1, 2009– 2010 Insurance attaches

Nursery Inspections– Inspections must occur in the following circumstances:

- The first year for a policyholder; either a new application or a transfer-in
- When the total basic value increased by more than 50% on the Plant Inventory Value Report
- When a new practice is added
- When a new site or location is added to the operation

Peanut Policies with Shellar Contracts

Please note that on MPCJ policies where Shellar Contracts are used to support higher coverage prices, that RMA now requires that the Shellar's Warehouse identification code to be included on the contract and the contract must be supplied with the Acreage Report. The Special Provisions allows for 1.2 times the established price for the Shellar Contract.



TIPS FOR NEW CROP HAIL APPLICATIONS:

1. Have all the information available to help the applicant before they come into your office.
2. Check rates and form codes available for the crops that the applicant wishes to insure.
3. Please call underwriting before the applicant comes into your office to address any questions you may have about writing the application.
4. Applications must be signed, dated and time recorded by agents before the applicant leaves the office.
5. Review Crop Hail Manual for any changes for the 2009 crop year.
6. Please be sure checks are filled out correctly, including the following:
 - The dollar amount needs to match the written amount
 - The check should be made out to American Farm Bureau
 - The check must be signed

When submitting cash policies online...

All cash policies submitted over the internet must have payment to the Raleigh Regional Office within 10 days of submission. These policies cannot be processed until payment is received.

If we have not received payment within the 10 days allowed, the policy will be changed to deferred and the cash discount will no longer apply.

CALCULATING PREMIUM

The premium for each line item on Crop Hail Applications should be calculated by rounding to the nearest whole dollar.

Examples:

- Premium for line #1 is \$202.23= premium calculated is \$202.00
- Premium for line #2 is \$101.50= premium calculated is \$102.00

Please note your state's minimum premium and submit premium amount accordingly.

Please note for Rewrites...

We would appreciate if agents would use the forms we send instead of writing rewrites on a blank application. If a blank application is used, please write the existing policy number on the application. Receiving *new* applications greatly slows processing

Binding Transmittals

Please submit a daily binding transmittal for all Crop Hail business, new or existing, either by email or fax in lieu of a faxed application. Please contact the Raleigh Regional Office with any questions regarding the binding transmittal form.

AGENT INCENTIVE LEADERS AS OF 5/01/09

<u>STATE</u>	<u>AGENT</u>	<u>ACRES</u>	<u>LEVEL</u>
NC	Rick Plemmons	938	2
NC	Charlie Young	572	3
OK	Jeff Baumann	11,151	1
OK	Alton Weathers	10,492	2
OK	Lonnie Paxton	2,879	3
CO	Kevin Pettay	953	2
IN	Gary Hancock	10,425	1
IN	Ross Deatsman	1,739	2
IN	Dennis Chattin	2,943	3
MO	Joe Close	378	3
MT	Jim Krise	14,416	1
MT	Monte Harrison	5,818	2
MT	Wanda Robinette	813	3
ND	Pat Howard	24,688	1
ND	Cliff Weiler	10,924	2
ND	Amanda Schaff	1,015	3
SD	Jim Miller	1,497	1



REQUIREMENTS

- Net acre growth
- MP & CH added together
- No CAT policies
- Premium paid by 12/01/09