

Conservation Compliance *Frequently Asked Questions*

How do I check on my status?

A producer can find out their status today through one of two ways.

- First, you can ask your crop insurance agent to verify your compliance status. The Risk Management Agency (RMA) has worked with all of the Approved Insurance Providers (AIPs) to ensure that agents can promptly find whether their producer has filed an AD-1026 before a policy is purchased.
- Second, you can visit or call your local Farm Service Agency (FSA) office (<http://offices.sc.egov.usda.gov/locator/app>). FSA can verify the status of each producer today.

How are RMA and FSA handling AD-1026s that have inadequate information and need correction?

USDA is going above and beyond to contact producers who likely need to make corrections through a phone call or letter, prioritizing those with sales closing dates that are approaching. However, it is ultimately the producer's responsibility to contact their crop insurance agent or local FSA office to find out their status. Your local FSA office can tell you today whether you have an AD-1026 on file.

Producers that filed an AD-1026 by June 1, 2015, will have until the first sales closing date to correct any errors. If corrections are made by the first sales closing date, the producer will be eligible for premium subsidy.

Based on 2015 Federal crop insurance participants, RMA has provided FSA with a list of producers who have the earliest sales closing dates, which enables FSA to work with these producers to ensure all information is received for their AD-1026. This helps identify those producers who possibly have filed an AD-1026 in a timely manner but with inadequate information, which allows FSA to work with producers to correct files for these producers first. Producers in this situation have until their first applicable sales closing date to remedy their situation before becoming ineligible for the federally reinsured crop insurance subsidy for reinsurance year 2016.

Why is it important that I check my status before I purchase a policy?

If you filed an AD-1026 by June 1, 2015, but corrections need to be made, you will have until the first sales closing date to make corrections and remain eligible for premium subsidy, which is why it is important to find out your status before the sales closing date of the policy you wish to purchase.

It is important to check your status because you may not be eligible for premium subsidy if you did not have an AD-1026 on file with FSA by June 1, 2015. If you are not eligible for premium subsidy and purchase a policy, you will be responsible for all of the premium costs if you wish to still purchase a crop insurance policy. On average, USDA pays 62 percent of premium costs. Without premium subsidy, you would pay 100 percent of the premium costs.

You should follow up with your crop insurance agent or your local FSA office to confirm your AD-1026 status before the sales closing date of the policy you wish to purchase. Your local FSA office can tell you today whether you have an AD-1026 on file. It is ultimately the producer's responsibility to find out their status, but RMA and FSA will call or send letters to all producers who appear to not have an AD-1026 on file to determine if corrections to their AD-1026 need to be made.

I turned in an AD-1026 by June 1, 2015, but I think I may need to make corrections. Will I lose premium subsidy because the form was incomplete or needs corrections?

If you turned in an AD-1026 by June 1, 2015, you will have until the first sales closing date (for the policy you wish to purchase) to correct mistakes and remain eligible for premium subsidy, which is why it is important that you find out your status before the sales closing date of the policy you wish to purchase. You should contact your crop insurance agent or local FSA office to find out your status. Your local FSA office can tell you today whether you have an AD-1026 on file.

How will I know that corrections need to be made? Will I be notified?

While USDA is making every effort to contact producers who are RMA customers and do not have an AD-1026 on file by calling or mailing a letter to these producers, it is ultimately the producer's responsibility to find out whether they have an AD-1026 on file with adequate information. Producers can find out their status by contacting their crop insurance agent or their local FSA office. Your local FSA office can tell you today whether you have an AD-1026 on file.

If a producer filed an AD-1026 by June 1, 2015, but their crop insurance agent or FSA informs them that they do not have an AD-1026 on file, the AD-1026 may have been filed under a different name or entity, or with incorrect or inadequate information. The producer should contact FSA by the sales closing date for the policy they wish to purchase to make corrections if necessary.

I bought a policy and found out after the fact that I did not have an AD-1026 on file. Am I obligated to keep the policy and pay the full premium?

Normally, a policy cannot be terminated after the cancellation date, which is usually the same as the sales closing date. However, for the 2016 crop year, RMA has added language to the policy to allow producers to cancel their policy 45 days after the cancellation date. In order to take

advantage of this language, please ensure that you ask your agent if you have an AD-1026 on file within 15 days of the sales closing date of the policy you purchased. Your crop insurance agent will be able to assist you in determining if this exception applies to you and facilitate the process necessary to meet the requirements for cancellation.

It is important to note that the following crops do not have contractual language that allows producers to cancel their insurance policy 45 days after the cancellation date because the contract change date (the date by which any change to a policy can be made) has passed. Therefore, it is important for producers of these crops to verify their status before purchasing a policy.

Sales Closing Date	Policies	State
Varies		
	Livestock policies – Cattle (LGM) Dairy Cattle (LGM) Fed Cattle (LRP) Feeder Cattle (LRP) Lamb (LRP) Swine (LRP & LGM)	Many
7/1/2015		
	Cabbage	GA, TX
	Potatoes	CA
	Strawberries	CA
7/15/2015		
	Annual Forage	KS, NE, ND, OK, SD, TX
7/31/2015		
	Forage Seeding	CA, MD, NV, NH, NJ, NY, PA, UT, VT
	Fresh Market Sweet Corn	FL, GA
	Fresh Market Tomatoes	FL
	Peppers	FL
	Raisins	CA
8/15/2015		
	Cabbage	FL
8/31/2015		
	Sugar Beets	CA

I just started farming after June 1, 2015, and was unable to fill out an AD-1026 form by the June 1 deadline. Do I have to wait an entire year to get premium subsidy?

In general, if you just started farming after June 1, 2015, you will be eligible to receive premium subsidy as long as you fill out a certification form asserting that you (including any person that has at least a 10 percent interest in your farming operation) have not farmed or had a farming interest in another entity prior to the 2016 crop year. For the purposes of this exception, “farmed” means engaging in farming activities as an owner, operator, tenant, or sharecropper and excludes others who do not meet these classifications such as persons who solely participated in a farming operation as laborers or equipment operators, which ARE eligible for a new farmer exception for 2016. This certification form must be filed with your crop insurance agent prior to the first applicable sales closing date of the crop you want to insure in order to be eligible for the Federal crop insurance premium subsidy. Persons that meet this one time exception will still need to file a form AD-1026 prior to June 1, 2016, to remain eligible for the Federal crop insurance premium subsidy for subsequent crop years. Please ask your crop insurance agent for this form.

I am no longer farming, and I received three letters from USDA informing me that I do not have an AD-1026 on file. I do not plan on farming this year. Do I need to take action?

No. If you do not plan on farming this year (July 1, 2015- June 30, 2016), then you do not need to take action. Filing an AD-1026 by June 1, 2015, was required to remain eligible for premium subsidy for federal crop insurance for the 2016 reinsurance year (July 1, 2015-June 30, 2016). If you do not plan on farming or purchasing a crop insurance policy this year (July 1, 2015- June 30, 2016), you do not need to take action. If you plan on farming in the 2017 reinsurance year, you will need to file an AD-1026 by June 1, 2016.

I plan on farming and purchasing crop insurance this year, but I do not want to receive premium subsidy from the USDA. Can I not file an AD-1026 and still purchase crop insurance?

Yes. You can still purchase Federal crop insurance without an AD-1026 on file. However, you will pay 100 percent of the premium cost. On average, USDA pays 62 percent of the premium cost. Therefore, you will pay more for your crop insurance coverage.

My farming operation bought insurance as an LLC last year. This year we incorporated and my operation bought insurance under the corporation’s name, not the LLC. I received a letter saying that the LLC does not have an AD-1026 on file. I filed an AD-1026 for the corporation by June 1, 2015. Do I need to take action?

If you plan on purchasing Federal crop insurance under the corporation’s name, then you do not need to take action. In order to be eligible for premium subsidy, the entity that purchases the crop insurance must have an AD-1026 on file. If crop insurance will not be purchased under the LLC’s name, then the LLC does not need an AD-1026.

I have farmed for years, but I have never participated in Federal crop insurance or any Farm Service Agency or Natural Resource Conservation Service program. I did not fill out the form by June 1, 2015. Do I have to wait an entire year to get premium subsidy?

In general, there is an exception if you (including any person with at least a 10 percent interest in you): (1) have not participated in a USDA program subject to wetland and highly erodible land requirements (conservation compliance); (2), did not participate in Federal crop insurance during the 2015 reinsurance year (crop policies with a sales closing date between July 1, 2014-June 30, 2015); and (3) did not receive notification from USDA that you may not have a form AD-1026 on file with FSA. If you meet all these criteria you will be able to fill out a certification with your crop insurance agent prior to the first applicable sales closing date of the crop you will insure in order to be eligible for Federal crop insurance premium assistance. Persons that meet this one time exception will still need to file and a form AD-1026 prior to June 1, 2016, to remain eligible for Federal crop insurance premium assistance for subsequent crop years. Please discuss this with your crop insurance agent or your RMA regional office (<http://www.rma.usda.gov/aboutrma/fields/rsos.html>).

I have formed a new entity since June 1, 2015? Does this entity have to wait an entire year before becoming eligible for premium subsidy?

In general, entities formed after June 1, 2015, can sign a certification form stating that the new entity was formed after June 1, 2015, for legitimate business reasons and not created solely to avoid USDA regulations. The certification form must be filled out prior to the first applicable sales closing date of the crop the entity will insure in order to be eligible for Federal crop insurance premium assistance. Entities that meet this one time exception will still need to file and a form AD-1026 prior to June 1, 2016 to remain eligible for Federal crop insurance premium assistance for subsequent crop years. Please discuss this with your crop insurance agent.

How do I appeal if I was unable to file for reasons beyond my control?

If a producer was unable to file AD-1026 by June 1, 2015, for the federal crop insurance premium subsidy due to extenuating circumstances, they can apply for consideration of relief at their local FSA office. If it is determined that an extenuating circumstance did not exist and relief is denied, the producer will be notified with options for the appeal process for the decision.

I turned in my AD-1026 by June 1, 2015, and I was informed that the form would be referred to NRCS to determine if my farm has highly erodible land or wetlands. Will I immediately lose premium subsidy?

No, eligibility for premium subsidy is not lost if the AD-1026 is referred to NRCS for a determination. You will remain eligible for premium subsidy until the reinsurance year (July 1-June30) after a highly erodible land or wetlands final determination is made, if a violation is discovered. A final determination means that all appeal rights have been exhausted. For questions about the appeal process, please visit your local USDA Service Center (<http://offices.sc.egov.usda.gov/locator/app>)

I am still confused about the process. Is there anyone I can talk to about the process?

Yes, you can reach out to your crop insurance agent, your local FSA office (<http://offices.sc.egov.usda.gov/locator/app>), or your regional RMA office (<http://www.rma.usda.gov/aboutrma/fields/rsos.html>)

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