

## **1002 Premium Discount (Continued)**

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For each BU of an eligible crop that is not divided into OUs, the unit's premium (including CAT imputed premium) will be decreased by the BUD. The discount also applies when there is only one OU within a BU planted and earning premium. If there are additional OUs, including those that consist only of PP, the BUD will not apply. The appearance of OU numbers on the acreage report does not automatically indicate that the discount will not apply.

**Exception:** For some plans of insurance, e.g., APH plan 90 crops, the BUD is not determined based on insured planted acres. The actuarial documents will provide how the applicable BUD is determined.

Once OUs are elected by the insured and processed by the AIP on the acreage report, the full premium (without discount) is earned. However, if the acreage report is revised and the revision changes the unit arrangement to a BU, the BUD (if applicable) will be based on the revised acreage report if the AIP determines failure to comply with the OU requirements was inadvertent.

## **1003 CAT Endorsement**

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The CAT Endorsement generally limits the units available for each insured crop to BUs determined only by the crop share arrangement; on the date coverage begins for the crop year. See Para. 1001.

OUs or further BUs (e.g., type, non-contiguous land, FSA FN, etc.) defined in the applicable CP or SP are not allowed for CAT coverage. See the CAT Endorsement for the unit definition.

## **1004 APH Database Establishment**

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APH databases must be established for each BU by actuarial offer.

## **1005 APH Databases Below BU Level**

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APH databases below the BU level must be maintained by the AIP, if separate P/T/TMA/Other Characteristics are contained on the actuarial documents. In addition, APH databases below the BU level must be maintained by the AIP when:

- (1) the insured elects to insure on a WU, EU, or BU basis or has CAT coverage; and
- (2) the insured provides separate production reports for acreage that would qualify for separate OUs under the terms of the policy or as specified in APH procedures.

Once APH databases below the BU level are established, they must be maintained. Production reports are required for each APH database and the AIP must submit all APH databases to RMA. The approved APH yield reported on the acreage report must match the corresponding APH database within the BU (e.g., same section). If the insured does not provide a production report on the basis of the APH databases below the BU level or if production is commingled between the APH databases below the BU level, the AIP shall prorate the production and acreage to APH databases with planted acres. If the insured certifies production on the production report at a level below the BU, they must have acceptable records at the level reported or assigned yields will apply (see Para. 1303A and 1600 for additional details).

### **1005 APH Databases Below BU Level (Continued)**

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As provided by the policy or approved procedures, APH databases must not be established for acreage that would not qualify for separate OUs for crop/P/T/TMA see Para. 1505. Any liability, premium, and indemnity payments will be based on the BU structure, regardless of any APH databases that may be established below that level.

### **1006 Commingled Acres and Production**

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Acres and production prorated between BUs are not acceptable production evidence for BUs. Multi-Purpose Production and Yield Worksheet (commingled production worksheet) cannot be used to prorate acreage and production between BUs.

**Exception:** If the insured has a loss for the current crop year, the insured is required to maintain production evidence to support the current crop year's unit arrangement as shown on the acreage report. If, at loss time, production is discovered to be commingled between BUs, the production must be apportioned or prorated, as applicable, to the appropriate BU. The apportioned or prorated production is used to process both the current year's claim and the following crop year's production reports.

### **1007-1020 (Reserved)**

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