

changes will be conclusive, in the absence of any notice from the insured to cancel the contract, as provided in paragraph 11, above.

16. *Collateral assignment—Transfer of interest.* The right to an indemnity in any crop year may be assigned as security upon prior approval of the Corporation. If the insured transfers his interest in the insured crop in any crop year he may, upon prior approval of the Corporation, transfer his right to an indemnity for such crop year with respect to the transferred interest in the insured crop. Any assignment, or transfer, shall be made on assignment, or transfer, forms prescribed by the Corporation and shall be subject to all the terms set forth thereon and to the terms hereof.

17. *Insured interest.* For the purpose of determining the amount of indemnity the interest insured shall not exceed the interest of the insured at the time of damage, as determined by the Corporation.

18. *Misrepresentation and fraud.* The Corporation may void the contract without affecting the insured's liability for any earned premium(s) if at any time the insured has concealed or misrepresented any material fact, or committed any fraudulent act against the Corporation, and such voidance shall be effective as of the beginning of the crop year which relates to the insured crop with respect to which any such act or omission occurred.

19. *Subrogation.* The insured (including his assignee or transferee) assigns to the Corporation all rights of recovery against any person for loss or damage to the extent that payment hereunder is made and shall execute all papers required and take appropriate action to secure such rights.

20. *Payment of indemnity.* (a) Any indemnity will be payable within 30 days after a claim for loss is approved by the Corporation: *Provided*, That in no event shall the Corporation be liable for interest or damages in connection with any claim for indemnity.

(b) If the insured dies, or is judicially declared incompetent, or if the insured is a partnership or other entity and is dissolved, before insurance attaches in any crop year, the contract shall terminate as of the date of death, or judicial declaration, or dissolution, but if such an event occurs after insurance attaches in any crop year the contract shall terminate at the end of such crop year and any indemnity payable shall be paid to the person or persons the Corporation determines to be beneficially entitled thereto.

21. *Records and access to insurance unit.* The insured shall keep or cause to be kept, for two years after the time of damage, records of the harvesting, storage, shipments, sale, or other disposition of all of the insured crop produced on each unit covered by the contract, and separate records showing the same information for production on any uninsured acreage of the insured crop in the county in which he has an interest. Any

persons designated by the Corporation shall have access to such records and the unit involved for purposes related to the contract.

22. *Meaning of terms.* For purposes of insurance on tung nuts the terms:

(a) "County actuarial table" means the forms and related material approved by the Corporation which are on file for public inspection in the county office, and which show the prices per pound for computing indemnities, applicable production guarantees, premium rates, and related information with respect to tung nut crop insurance for the crop year in the county.

(b) "County office" means the Corporation's office for the county shown in this application and policy or such office as may be designated by the Corporation from time to time.

(c) "County" ("Parish" in Louisiana) means the area shown on the actuarial table which may include units located in a local producing area bordering on the county.

(d) "Crop year" means the period beginning with the date insurance attaches and extending through the following September 30 and shall be designated by reference to the calendar year in which the crop is normally harvested.

(e) "Harvest" means the picking of the tung nuts from the ground.

(f) "Insurance unit" means all insurable acreage of tung nuts in the county in which (1) the insured has 100 percent interest on the date insurance attaches for the crop year that is located on contiguous land under the same ownership, or (2) the same two or more persons have 100 percent interest on the date insurance attaches for the crop year that is located on contiguous land under the same ownership excluding any other acreage of tung nuts in which such persons do not have 100 percent interest on such date. Land rented for cash or a fixed commodity payment shall be considered as owned by the lessee. Contiguous land shall include only land that is touching at any point except that land that is separated only by a public or private way shall be considered contiguous.

[30 F.R. 566, Jan. 16, 1965, as amended by Amdt. 1, 31 F.R. 9710, July 19, 1966]

NOTE: The reporting and record-keeping requirements contained herein have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

PART 408—NORTH CAROLINA APPLE CROP INSURANCE

Subpart—Regulations for the 1965 and Succeeding Crop Years

Sec.

408.1 Availability of apple crop insurance in North Carolina.

Sec.

- 408.2 Premium rates, bushel guarantees, and prices for computing indemnities.
- 408.3 Application for insurance.
- 408.4 Public notice of indemnities paid.
- 408.5 Creditors.
- 408.6 The application and policy.

AUTHORITY: The provisions of this Part 408 issued under secs. 506, 516, 52 Stat. 73, 77; 7 U.S.C. 1506, 1516.

SOURCE: The provisions of this Part 408 appear at 30 F.R. 2303, Feb. 20, 1965, unless otherwise noted.

§ 408.1 Availability of apple crop insurance in North Carolina.

Apple crop insurance shall be offered for the 1965 and succeeding crop years under the provisions of § 408.1 through § 408.6 in counties in North Carolina within limits prescribed by and in accordance with the provision of the Federal Crop Insurance Act, as amended. The counties shall be designated by the Manager of the Corporation from a list of North Carolina counties approved by the Board of Directors of the Corporation for apple crop insurance. The counties designated by the Manager shall be published by appendix to this section.

APPENDIX; COUNTIES DESIGNATED FOR APPLE CROP INSURANCE; 1969 CROP

NORTH CAROLINA

- Alexander. Wilkes.
- Henderson.

[33 F.R. 17307, Nov. 22, 1968]

§ 408.2 Premium rates, bushel guarantees, and prices for computing indemnities.

The Manager shall establish premium rates, bushel guarantees, and the prices for computing indemnities which shall be shown on the county actuarial table on file in the county office. Such premium rates, bushel guarantees, and prices for computing indemnities may be changed from year to year.

§ 408.3 Application for insurance.

Application for insurance may be submitted as provided in § 408.6 at the county office for the Corporation. The Corporation reserves the right to discontinue the taking of applications in any county, upon its determination that the insurance risk involved is excessive, prior to the closing date for the filing of applications. Such closing date shall be the February 15 preceding the beginning of the crop year, except that for the 1965 crop year the closing date shall be March

15. The Corporation further reserves the right to reject any application, or to exclude any definitely identified acreage, for any crop year of the contract if upon inspection it deems the risk as to such acreage to be excessive: *Provided, however,* That the insured shall be notified of the exclusion of any such acreage before insurance attaches for the crop year for which the acreage is to be excluded, or prior to acceptance of the application, whichever is applicable.

§ 408.4 Public notice of indemnities paid.

The Corporation shall provide for posting annually in each county at the county courthouse a listing of the indemnities paid in the county.

§ 408.5 Creditors.

An interest of a person other than the insured in an insured crop existing by virtue of a lien, mortgage, garnishment, levy, execution, bankruptcy, or any involuntary transfer shall not entitle the holder of the interest to any benefit under the contract other than as provided in the application and policy set forth in § 408.6.

§ 408.6 The application and policy.

The provisions of the North Carolina Application and Policy for Apple Crop Insurance for the 1965 and Succeeding Crop Years which shall be applicable only in the State of North Carolina are as follows:

Application and Policy
Form FCI-812-Apple

(Applicable Only in North Carolina)

UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation

NORTH CAROLINA APPLICATION AND POLICY FOR
APPLE CROP INSURANCE

(For 196... and Succeeding Crop Years)

(Name of Insured)

(State and County Code and Contract
Number)

(Address of Insured)

(County)

1. The undersigned applicant (herein sometimes called the "insured"), subject to the applicable provisions of the regulations of the Federal Crop Insurance Corporation (herein called the "Corporation"), hereby applies to the Corporation for insurance on his interest in apple crops (hereinafter some-

times called "the insured crop") located in the above-identified county (hereinafter called "the county"). The applicant applies for the apple bushel guarantee established by the Corporation and shown on the county actuarial table (hereinafter called "the actuarial table") and elects the price per bushel for computing indemnities below, which shall be a price per bushel shown on the actuarial table. If any applicant, or insured, has not elected such a price, or has elected a price not shown on the actuarial table for the crop year, the price election which shall be applicable under the contract, and which the insured is deemed to have elected, shall be the price provided on the actuarial table for such purposes.

For any crop year, any insured may change the price which was in effect for a prior crop year and make a new election by notifying the county office in writing of such election before the February 15 preceding the crop year for which the election is to become effective.

(Price per Bushel Elected for Computing Indemnities)

§----- per Bushel

This application, when executed by a person as an individual, shall not cover his interest in a crop produced by a partnership or other entity.

2. *Causes of loss.* (a) *Causes insured against.* The insurance provided is against unavoidable loss resulting from frost, freeze, hail, or windstorm (including hurricane or tornado).

(b) *Causes not insured against.* The contract shall not cover any loss due to neglect or malfeasance of the insured, any member of his household, his tenants, or employees, or failure to follow recognized good farming practices, or to any cause other than a cause specified in paragraph (a) of this section.

3. *Insured crop.* Only apples grown on insurable acreage in any crop year as shown on the actuarial table (a) in which the insured had an interest on the date insurance attaches, and (b) which are grown on acreage on which at least 25 bearing trees per acre have reached the eighth growing season are insured. Insurance shall not attach on any insurance unit on which the insurable acreage is less than 2 acres.

4. *Responsibility of insured to report acreage and interest.* The insured at the time of filing this application shall also file on a form prescribed by the Corporation a report by age of trees (in terms of growing seasons) of all the acreage of the insured crop in the county in which he has an interest and show his interest therein. Such report shall include a designation of all the acreage of apples which is uninsurable under the provisions of the preceding section. This report shall be revised for any crop year before insurance attaches to reflect any changes in acreage or interest and the changes in ages of trees under 18 years of age. The latest report filed shall be con-

sidered as the basis for continuation of insurance from year to year, subject to revision as provided herein. The ages of the trees, acreage, and interest insured shall be as reported by the insured or as determined by the Corporation, which ever the Corporation shall elect. For any insurable acreage interplanted with trees of varying ages (under 18 years) the applicable age which shall be used in determining the bushel guarantee per acre for such acreage shall be the weighted average age of the 25 oldest bearing trees on such acreage provided that all bearing trees 18 years of age or older shall be considered as 18 years of age in making such determination.

5. *The contract.* Upon acceptance of this application by the Corporation, the contract shall be in effect for the crop year specified above and shall continue for each succeeding crop year until canceled or terminated in accordance with the applicable provisions of the contract. This application and policy, and amendments thereto, if any, and the actuarial table for each crop year shall constitute the contract for apple insurance. Any changes made in the contract shall not affect the continuity from year to year.

6. *Insurance period.* For each crop year insurance attaches on March 1, or upon acceptance of the application for such crop year whichever is later, and as to any insured acreage ceases upon harvest or October 15, whichever occurs first.

7. *Annual premium.* (a) The annual premium for each insurance unit shall be earned and payable on the date insurance attaches and shall be determined by multiplying the applicable bushel guarantee for the insured acreage by the applicable price per bushel for computing indemnities by the premium rate and multiplying the product thereof by the insured's interest at the time insurance attaches and, where applicable, applying the discount herein provided.

(b) The total annual premium for the insured crop on all units shall be reduced as follows for consecutive years of insurance, without a loss for which an indemnity was paid on any unit, immediately preceding the crop year for which the reduction is applicable (eliminating any year in which a premium was not earned):

Percent premium reduction and consecutive years with no loss

- 5 percent after 1 year.
- 5 percent after 2 years.
- 10 percent after 3 years.
- 10 percent after 4 years.
- 15 percent after 5 years.
- 20 percent after 6 years.
- 25 percent after 7 years or more.

If an insured has a loss on a crop for which an indemnity is paid, the number of such consecutive years of insurance on such crop without a loss for which an indemnity was paid shall be reduced by 3 years, except, that, where the insured has 7 or more such years, a reduction to 4 shall be made and where the

insured has 3 or less such years, a reduction to zero shall be made. Any premium reduction earned hereunder shall upon death of the insured inure to the benefit of his estate or surviving spouse and, upon approval of the Corporation, shall inure to any person operating the same farm or farms as the deceased insured who the Corporation determines has been actively participating in the farming operations by assisting in the management or by furnishing labor for compensation. If the insured is a partnership (which for the purpose of this section shall be deemed to include any other joint enterprise), the premium reduction earned by such insured shall, upon dissolution of the partnership, inure to the benefit of each member who has a contract of insurance in force in the year immediately following the dissolution covering only a part or all of the land involved in the partnership operation. If the insured is a partnership each of whose members had a contract of insurance in force in the year immediately preceding the formation of the partnership covering a part of the land included in the partnership operation, the smallest premium reduction earned by any member, or none if any member has earned none, shall inure to the benefit of the insured. If the insured is a partnership only one of whose members had a contract of insurance in force in the year immediately preceding the formation of the partnership, the premium reduction earned by such member shall inure to the benefit of the insured only if the insured operates the same farm or farms formerly operated by such member and if the Corporation finds that the other member or members have been actively participating in the farming operations by assisting in the management or by furnishing labor for compensation. If the insured is a corporation operating only a farm or farms previously operated by one or more stockholders, each of whom had a contract of insurance in force in the year immediately preceding the formation of the corporation, the smallest premium reduction earned by any such stockholder, or none if any such stockholder has earned none, shall inure to the benefit of the insured. If the insured was a stockholder of a dissolved corporation, which had a contract of insurance in force in the year immediately preceding its dissolution covering only the same farm or farms being operated by the insured, the premium reduction earned by the corporation shall inure to the benefit of the insured.

8. *Premium note.* In consideration hereof, the insured promises to pay to the order of the Federal Crop Insurance Corporation each crop year of the contract the annual premium and further agrees that any amount due the Corporation by the insured may be deducted from any indemnity payable to the insured and when not prohibited by law, from any loan or payment otherwise due the

insured under any program administered by the United States Department of Agriculture.

(Signature of Applicant)

-----, 19--
(Date)

(Witness to Signature)

9. Recommended for acceptance by:

(Orchard Inspector)

-----, 19--
(Date)

(Corporation Representative)

(County Office Address)

10. Accepted for the Corporation by:

(State Director)

-----, 19--
(Date)

11. *Life of contract.* This contract is non-cancelable the first crop year and shall continue in effect for each succeeding crop year until either the insured, or the Corporation, cancels the contract by giving written notice to the other by the December 31, immediately preceding the crop year for which the cancellation is to become effective. The contract shall, however, terminate for non-payment of premium if such premium is not paid by the February 15 following the crop year in which the premium was earned.

12. *Notice of damage or loss.* (a) It shall be a condition precedent to payment of any indemnity on any insurance unit (hereinafter called "unit") that the insured report each damage to the insured crop from a cause of loss insured against to the county office within 7 days after such damage giving the date, cause, and estimated extent of such damage.

(b) Notice of the time of intended harvesting shall be given to the county office at least 15 days before the beginning of harvest if a loss is to be claimed, and a final adjustment has not been made by that time: *Provided, however,* If damage occurs within the fifteen-day period before the beginning of harvest, or during harvest, and a loss is to be claimed, notice shall be given immediately.

(c) The Corporation reserves the right to reject any claim if any of the requirements of this section are not met if it determines that it has been prejudiced by such failure.

13. *Amount of loss and proof of loss.* (a) Any claim for loss on a unit shall be submitted to the Corporation on a form prescribed by the Corporation not later than 30 days after the amount of loss has been determined by the Corporation.

(b) Losses shall be adjusted separately for each unit on the basis of appraisals made by the Corporation and any determination of the production by such appraisals before harvest shall be binding upon the insured and shall not be subject to change by the

insured: *Provided, however,* If damage from an insured cause occurs after the beginning of harvest but prior to the completion of harvest, the production harvested prior to such damage, as determined by the Corporation, shall be included in such appraisals in adjusting any loss. The amount of loss with respect to any unit shall be determined by (1) multiplying the insured acreage of the insured crop on the unit by the applicable bushel guarantee per acre which product shall be the bushel guarantee for the unit, (2) subtracting therefrom the total production to be counted for the unit, (3) multiplying the remainder by the insured interest, and (4) multiplying the result by the applicable price per bushel for computing indemnities: *Provided,* That if for the unit the insured fails to report all of his interest or insurable acreage, the amount of loss shall be determined with respect to all of his interest and insurable acreage, but in such cases or otherwise, if the premium computed on the basis of the insurable acreage and interest exceeds the premium computed on the basis of the reported acreage and interest, or the acreage and interest when determined under section 4 above, the amount of loss shall be reduced proportionately.

(c) The total production to be counted for a unit shall be determined by the Corporation and, subject to the provisions hereinafter, shall include all production on all trees located on insured acreage, any production harvested before insured damage occurs on the unit, and any appraisals made by the Corporation for poor farming practices, uninsured causes of loss, or for acreage abandoned or put to another use without the consent of the Corporation, except that the production to be counted for any acreage of apples which is abandoned or put to another use without the consent of the Corporation, harvested prior to an appraisal of production by the Corporation or any acreage not damaged by an insured cause shall be not less than the production guarantee provided on the actuarial table: *Provided, however,* That any apple which, due to a cause of loss insured against, is reduced in grade as determined by the Corporation below a U.S. No. 1, as defined in the United States Standards For Apples For Processing, shall not be counted as production.

(d) If the production harvested from a unit is commingled with the production harvested from any other acreage and the insured fails to keep records satisfactory to the Corporation of the acreages involved and the production from each, the Corporation may allocate the commingled production in such manner as it determines appropriate if sufficient facts are available as determined by the Corporation; otherwise the Corporation may deny liability with respect to all units involved for the crop year without affecting the insured's liability for premium.

14. *Abandonment of crop.* There shall be no abandonment of the insured crop, or portion thereof, to the Corporation.

15. *Contract changes.* After the first crop year, the Corporation reserves the right to change the premium rates, bushel guarantees and other terms and conditions of the contract from year to year. Notice thereof shall be mailed to the insured, or made available at the county office, by the December 15 immediately preceding the beginning of the crop year for which such amendment or change is to become effective. Acceptance of the changes will be conclusive, in the absence of any notice from the insured to cancel the contract, as provided in paragraph 11, above.

16. *Collateral assignment—Transfer of interest.* The right to an indemnity in any crop year may be assigned as security upon prior approval of the Corporation. If the insured transfers his interest in the insured crop in any crop year he may, upon prior approval of the Corporation, transfer his right to an indemnity for such crop year with respect to the transferred interest in the insured crop. Any assignment, or transfer, shall be made on assignment, or transfer, forms prescribed by the Corporation and shall be subject to all the terms set forth thereon and to the terms hereof.

17. *Insured interest.* For the purpose of determining the amount of indemnity the interest insured shall not exceed the interest of the insured at the time of damage, as determined by the Corporation.

18. *Misrepresentation and fraud.* The Corporation may void the contract without affecting the insured's liability for any earned premium(s) if at any time the insured has concealed or misrepresented any material fact, or committed any fraudulent act against the Corporation, and such voidance shall be effective as of the beginning of the crop year which relates to the insured crop with respect to which any such act or omission occurred.

19. *Subrogation.* The insured (including his assignee or transferee) assigns to the Corporation all rights of recovery against any person for loss or damage to the extent that payment hereunder is made and shall execute all papers required and take appropriate action to secure such rights.

20. *Payment of indemnity.* (a) Any indemnity will be payable within 30 days after a claim for loss is approved by the Corporation: *Provided,* That in no event shall the Corporation be liable for interest or damages in connection with any claim for indemnity.

(b) If the insured dies, or is judicially declared incompetent, or if the insured is a partnership or other entity and is dissolved, before insurance attaches in any crop year, the contract shall terminate as of the date of death, or judicial declaration, or dissolu-

tion, but if such an event occurs after insurance attaches in any crop year the contract shall terminate at the end of such crop year and any indemnity payable shall be paid to the person or persons the Corporation determines to be beneficially entitled thereto.

21. *Records and access to insurance unit.* The insured as to each unit shall permit any persons designated by the Corporation to have access to the unit involved for purposes related to the contract and shall provide any information and records required by the Corporation for loss adjustment purposes.

22. *Meaning of terms.* For purposes of insurance on apples the terms:

(a) "County actuarial table" means the forms and related material approved by the Corporation which are on file for public inspection in the county office, and which show the applicable prices per bushel for computing indemnities, applicable bushel guarantee, premium rates, and related information with respect to apple crop insurance for the crop year in the county.

(b) "County office" means the Corporation's office for the county shown in this application and policy or such office as may be designated by the Corporation from time to time.

(c) "County" means the area shown on the actuarial table which may include units located in a local producing area bordering on the county.

(d) "Crop year" means the period beginning with the date insurance attaches and extending through to the time the crop is normally harvested and shall be designated by reference to the calendar year in which the crop is normally harvested.

(e) "Harvest" means the picking of marketable apples from the trees or from the ground.

(f) "Insurance unit" means all insurable acreage of apples in the county in which (1) the insured has 100 percent interest on the date insurance attaches for the crop year that is located on contiguous land under the same ownership, or (2) the same two or more persons have 100 percent interest on the date insurance attaches for the crop year that is located on contiguous land under the same ownership excluding any other acreage of apples in which such persons do not have 100 percent interest on such date. Land rented for cash or a fixed commodity payment shall be considered as owned by the lessee. Contiguous land shall include only land that is touching at any point except that land that is separated only by a public or private way shall be considered contiguous.

[30 F.R. 2303, Feb. 20, 1965, 30 F.R. 2701, Mar. 3, 1965, as amended by Amdt. 1, 30 F.R. 14592, Nov. 24, 1965; Amdt. 2, 31 F.R. 9711,

July 19, 1966; Amdt. 3, 33 F.R. 17842, Nov. 30, 1968]

NOTE: The reporting requirements contained herein have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

PART 409—ARIZONA-DESERT VALLEY CITRUS CROP INSURANCE

Subpart—Regulations for the 1967 and Succeeding Crop Years

- Sec.
- 409.20 Availability of Arizona-Desert Valley citrus crop insurance.
- 409.21 Premium rates and amounts of insurance.
- 409.22 Application for insurance.
- 409.23 Public notice of indemnities paid.
- 409.24 Creditors.
- 409.25 The application and the policy.

AUTHORITY: The provisions of this subpart issued under secs. 506, 516, 52 Stat. 73, as amended, 77, as amended; 7 U.S.C. 1506, 1516.

SOURCE: The provisions of this Part 409 appear at 32 F.R. 10635, July 20, 1967, unless otherwise noted.

§ 409.20 Availability of Arizona-Desert Valley citrus crop insurance.

Citrus crop insurance shall be offered for the 1967 and succeeding crop years under the provisions of §§ 409.20 through 409.25 in counties in Arizona and the Desert Valley within limits prescribed by and in accordance with the provisions of the Federal Crop Insurance Act, as amended. The counties shall be designated by the Manager of the Corporation from a list of counties approved by the Board of Directors of the Corporation for citrus crop insurance. The counties designated by the Manager shall be published by appendix to this section.

APPENDIX; COUNTIES DESIGNATED FOR CITRUS CROP INSURANCE; 1969 CROP

- ARIZONA
 - Maricopa. Yuma.
 - CALIFORNIA
 - Imperial. Riverside.
- [33 F.R. 17307, Nov. 22, 1968]

§ 409.21 Premium rates and amounts of insurance.

(a) The Manager shall establish premium rates and the amounts of insurance per standard field box which shall