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Dear Policyholder or Designee,

In accordance with Section 4.(c) of your Common Crop Insurance Policy, Basic Provisions (17-BR), we are notifying you of changes to your insurance policy. The U.S. Department of Agriculture (USDA) Risk Management Agency (RMA) revised the Common Crop Insurance Policy, Basic Provisions (18-BR), Catastrophic Risk Protection Endorsement (18-CAT), and Area Risk Protection Insurance Basic Provisions (18-ARPI) to incorporate changes based on a final rule published in the Federal Register on November 24, 2017. A summary of these changes is enclosed or you may view it on our website.

Additionally, on November 30, 2017, the RMA released Product Management Bulletin (PM-17-066) announcing that the 10 percent yield limitation (cups) will become an option. This option prevents your APH yield from declining more than 10 percent from the prior year. We will automatically apply the Yield Cup option to your APH yields if applicable by adding the option to your policy. If you do not want the Yield Cup option to apply, it must be declined on your policy renewal forms by the sales closing (cancellation) date.

Finally, on December 4, 2017, the RMA released Product Management Bulletin (PM-17-068) announcing the removal of the Prevented Planting +10 Percent Option (PT) for the 2018 and succeeding crop years. Previously, there has been an option for policyholders of some crops to increase prevented planting coverage by five or ten percent (+5 percent option and +10 percent option, respectively). Because RMA has removed the +10 percent option, we will automatically convert policies that had PT coverages to the +5 percent option (PF) for the appropriate crop year. If you do not want PF in place of the PT, please contact your crop insurance agent to remove the option by the sales closing (cancellation) date.

These changes will be effective for the 2018 and succeeding reinsurance years for all crops with a 2018 contract change date (CCD) on or after November 30, 2017 and for the 2019 and succeeding reinsurance years for all crops with a 2018 contract change date prior to November 30, 2017.

You can visit www.GlobalAg.com/updates for more information on these changes. Thank you for placing your business and your trust with Global Ag.

**SUMMARY OF CHANGES FOR THE CATASTROPHIC RISK PROTECTION ENDORSEMENT
(18-CAT)
(Released November 2017)**

The following is a brief description of the changes to the Catastrophic Risk Protection (CAT) Endorsement that are effective for the 2018 and succeeding crop years for all crops with a contract change date on or after November 30, 2017, and for the 2019 and succeeding crop years for all crops with a contract change date prior to November 30, 2017.

- Section 6(f) - Revised the conservation compliance provisions to remove the certification deadline of June 1.

**SUMMARY OF CHANGES FOR AREA RISK PROTECTION INSURANCE POLICY
(18-ARPI)
(Released November 2017)**

The following is a brief description of the changes to the Area Risk Protection Insurance Policy that are effective for the 2018 and succeeding crop years for all crops with a contract change date on or after November 30, 2017, and for the 2019 and succeeding crop years for all crops with a contract change date prior to November 30, 2017.

- Throughout the policy, changed the phrase “Web site” and added the word “website” in its place;
- Section 1 – Revised the definitions of “good farming practices” and “limited resource farmer.”
- Redesignated section 2(j)(2) as section 2(j)(3).
- Section 2(j)(2) and (3) – Clarified that with the policyholder’s consent the premium and administrative fees can be offset from any prevented planting or indemnity due the policyholder even if the offset occurs before the fees are billed.
- Section 2(k)(2)(i)(D) - Updated the years used in the example.
- Section 2(k)(3)(ii) - Removed the prohibition that does not allow a policyholder to enter into a written payment agreement if they previously failed to make a payment under an agreement to give approved insurance providers the flexibility to enter into these agreements.
- Section 2(p)(2) - Updated the years used in the example.
- Section 7(i) - Revised the conservation compliance provisions to remove the certification deadline of June 1.

**SUMMARY OF CHANGES FOR THE COMMON CROP INSURANCE POLICY
BASIC PROVISIONS – REINSURED VERSION (18-BR)**
(Released November 2017)

The following is a brief description of the changes to the Common Crop Insurance Policy Basic Provisions that are effective for the 2018 and succeeding crop years for all crops with a 2018 contract change date on or after November 30, 2017, and for the 2019 and succeeding crop years for all crops with a 2018 contract change date prior to November 30, 2017.

- Throughout the policy, changed the phrase:
 - “Web site” and added the word “website” in its place;
 - “FSA farm serial number” and added the phrase “FSA farm number” in its place; and
 - “Replant payment” and added the phrase “replanting payment” in its place.
- Preamble – Revised the order of priority in the preamble to include the actuarial documents.
- Section 1 – Revised the definitions of “Cooperative Extension System,” “good farming practices,” “price election,” “replanted crop.”
- Redesignated section 2(e)(2) as section 2(e)(3).
- Section 2(e)(2) – Clarified that with the policyholder’s consent the premium and administrative fees can be offset from any prevented planting or indemnity due the policyholder even if the offset occurs before the fees are billed.
- Section 2(f)(2)(i)(D) - Updated the years used in the example.
- Section 2(f)(3)(ii) - Removed the prohibition that does not allow a policyholder to enter into a written payment agreement if they previously failed to make a payment under an agreement to give approved insurance providers the flexibility to enter into these agreements.
- Section 2(f)(5) - Updated the years used in the example.
- Removed section 2(j).
- Section 3(f)(3) – Allow these provisions to be changed in the Special Provisions.
- Section 3(h)(1) – Changed the reference of “valid basis” to “valid agronomic basis.”
- Section 6(a)(3) - Added a new paragraph (iii) that provides if the policyholder planted the insured crop on or within five days prior to the final planting date and the final planting date is five or fewer days prior to the acreage reporting date, the policyholder must submit an acreage report no later than five days after the acreage reporting date.
- Section 7(h) - Revised the conservation compliance provisions to remove the certification deadline of June 1.
- Section 9(a)(2)(viii)(A) - Changed the reference to the “Group Risk Protection Plan of Insurance” to “Area Risk Protection Insurance.”
- Section 17(f)(9) - Changed the reference to “manpower” to “labor.”
- Section 18 – Modified this section to:
 - Provide minor clarifications, as well as removing language that is no longer needed due to program modifications, changes via Special Provisions, or unnecessary duplication.
 - Remove section 18(e)(3).
 - Revise section 18(f)(1)(ii) to remove language regarding the information needed to determine the approved yield. The APH already contains the information needed to determine the approved yield so this language is no longer needed. Also revised to remove the unnecessary signature requirement on the submitted actual production history documents.
 - Revise section 18(f)(1)(iii) to add “the crop” as an option for evidence of adaptability.
 - Revise 18(f)(2)(i) to allow an entity to use verifiable and insurance records from substantial beneficial interests of that entity to qualify for a written agreement request for counties without actuarial documents.
 - Remove section 18(f)(1)(vi).
 - Revise section 18(f)(2)(i) to clarify this section is also applicable to perennial crops that have previously produced a crop. Also revised to allow “you” to include anyone with a substantial beneficial interest in “you.”

- Revise section 18(f)(2)(i)(A) to remove the requirement of the policyholder's signature on the completed APH submitted with the written agreement request and also to state the completed APH is based on verifiable production records of actual yields for the crop to be consistent with the APH requirement for other written agreement request types.
- Revise section 18(f)(2)(i)(B) to clarify this section is also applicable to perennial crops that have previously produced a crop.
- Revise section 18(f)(2)(i)(B)(2) to remove the requirement that the policyholder must insure the crop for the three previous crop years before they can substitute a year of insurance experience for a year of verifiable records, and also revised to allow an entity to use the production history from a substantial beneficial interest in the entity that has a history of growing the crop to qualify for a written agreement.
- Add new section 18(f)(2)(i)(B)(3) to limit a year that counts as producing the crop to the most recent ten crop years, unless the producer can provide verifiable production records or insured the crop outside of the most recent ten crop years.
- Revise section 18(f)(2)(ii) to clarify this section is also applicable to perennial crops that have previously produced a crop. Also revised to allow "you" to include anyone with a substantial beneficial interest in "you."
- Revise section 18(f)(2)(ii)(A) to remove the requirement of the policyholder's signature on the completed APH submitted with the written agreement request and also state the completed APH is based on verifiable production records of actual yields for the similar crop to be consistent with the APH requirement for other written agreement request types. Also revised to remove the order or precedence that the similar crop records must come from the county, if produced in the county, prior to using any area similar crop records, to be consistent with the requirements for the requested crop.
- Revise section 18(f)(2)(ii)(B) to clarify this section is also applicable to perennial crops that have previously produced a crop.
- Revise section 18(f)(2)(ii)(B)(2) to remove the requirement that the policyholder must insure the similar crop for the three previous crop years before they can substitute a year of insurance experience for a year of verifiable records, and also revised to allow an entity to use the production history from a substantial beneficial interest in the entity that has a history of growing the similar crop to qualify for a written agreement.
- Add new section 18(f)(2)(ii)(B)(3) to limit a year that counts as producing the similar crop to the most recent ten crop years, unless the producer can provide verifiable production records or insured the similar crop outside of the most recent ten crop years.
- Revise section 18(f)(2)(ii)(C) to allow an entity to use the production history from a substantial beneficial interest in the entity that has a history of growing the crop or similar crop to qualify for a written agreement, and to clarify this section is also applicable to perennial crops that have previously produced a crop.
- Remove section 18(f)(2)(vi).
- Remove section 18(g)(3).
- Revise section 18(h)(2) to clarify the APH history used to determine 50 percent of the transitional yield for the crop, type, and practice can be from either the county or a similar county and to clarify that this provision only applies when the crop has been previously grown.
- Revise section 18(h)(4) to clarify this provision is also applicable if a similar crop was not previously grown in the area and to allow the crop or similar crop to be grown in the area, as growing the crop or similar crop in the area can qualify a policyholder in the county even if they have not grown the crop in the requested county. Also revised to remove the phrase "based on sales receipts, contemporaneous feeding records or a contract for the crop."
- Revise section 18(h)(5) to allow a written agreement request to be denied for a particular practice or type if that practice or type is not adapted to the county.
- Section 21(b)(2) - Updated the years used in the example.
- Sections 34(a)(4)(viii), (viii)(A)-(D) – Revised to allow a policyholder to select an enterprise unit for either irrigated or non-irrigated practice and choose the most appropriate unit structure on the other practice, be it a separate enterprise unit or optional or basic units.