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Federal Crop
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CROP AND LIVESTOCK INCOME PROTECTION INSURANCE STANDARDS HANDBOOK

2026 and Succeeding Crop Years

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM PRODUCTION AND CONSERVATION
RISK MANAGEMENT AGENCY

TITLE: Crop and Livestock Income Protection Insurance Standards Handbook	**NUMBER: FCIC-20750U** **OPI: Product Management**
EFFECTIVE DATE: 2026 and Succeeding Crop Years	**ISSUE DATE: November 20, 2025**
SUBJECT: **Provides the procedures and instructions for administering the Crop and Livestock Income Protection Insurance Program.**	**APPROVED:** ***/s/ John W. Underwood* for** **Deputy Administrator for Product Management**

REASON FOR ISSUANCE

This handbook provides the official FCIC-approved standards and procedures for administering the Crop and Livestock Income Protection Insurance Program for the 2026 and succeeding crop years. This handbook is effective upon approval and until obsoleted.

CROP AND LIVESTOCK INCOME PROTECTION INSURANCE STANDARDS HANDBOOK

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PART 1: GENERAL INFORMATION AND RESPONSIBILITIES

1 General Information

A. Purpose

This handbook provides the FCIC-approved procedures for administering the CLIP. CLIP provides a form of umbrella revenue coverage intended to work in conjunction with two or more RP policies to provide coverage up to 85% of the combined insurable value.

The applicable LASH for the underlying RP policies, GSH (FCIC-18190), and the CIH (FCIC-18010) will apply.

The supplemental RMA-issued standards for the CLIP Insurance Program and crop year are in effect as of the signature date for this insurance standards handbook at https://www.rma.usda.gov/policy-procedure/crop-underwriting-standards.

This handbook remains in effect until superseded by reissuance of the entire handbook subject to any directives contained in any bulletin or FAD released by RMA. A bulletin or FAD can supersede applicable portions of the original handbook.

In general, the CLIP Insurance Program will be administered under the procedures contained in this handbook. Other terminology and instructions contained in the CIH, GSH, and LAM and applicable exhibits that apply to the AIP and the insured apply to the CLIP Insurance Program.

B. Source of Authority

The Federal Crop Insurance Corporation Board of Directors approved the CLIP Insurance Program during the FCIC Board meeting in November 2024, under section 508(h) of the Federal Crop Insurance Act. The CLIP Insurance Program was implemented on XXXXXX XX, 2025, for the 2026 reinsurance year and 2026 commodity year.

C. Title VI of the Civil Rights Act of 1964

The USDA prohibits discrimination against its customers. Title VI of the Civil Rights Act of 1964 provides that "No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance." Therefore, programs and activities that receive Federal financial assistance must operate in a non-discriminatory manner. Also, a recipient of RMA funding may not retaliate against any person because they opposed an unlawful practice or policy, or made charges, testified, or participated in a complaint under Title VI.

It is the AIPs' responsibility to ensure that standards, procedures, methods, and instructions, as authorized by FCIC in the sale and service of crop insurance contracts, are implemented in a manner compliant with Title VI. Information regarding Title VI of the Civil Rights Act of 1964 and the program discrimination complaint process is available on the USDA public website at www.usda.gov/oascr. For more information on the RMA Non-Discrimination Statement, see the DSSH.

D. Related Handbooks

The following table provides handbooks related to this handbook.

Handbook	Relation/Purpose
CIH	This handbook provides the official FCIC-approved underwriting standards for policies administered by AIPs for the General Administrative Regulations, Common Crop Insurance Policy BP, and Area Risk Protection Regulations.
DSSH	This handbook provides the official FCIC-approved form standards for use in the sale and service of any eligible Federal crop insurance policy; required statements and disclosures; and the standards for submission and review of non-reinsured supplemental policies in accordance with the SRA.
GSH	This handbook provides the official FCIC-approved standards for policies administered by AIPs under the General Administrative Regulations, Common Crop Insurance Policy Regulations BP, including the CAT Endorsement; the Area Risk Protection Insurance Regulations BP; the Stacked Income Protection Plan of Insurance; the Rainfall Index Plan; and the Whole-Farm Revenue Protection Pilot Policy.
LAM	This handbook provides the official FCIC-approved general loss adjustment standards for all levels of insurance provided under FCIC unless a publication specifies that none or only specified parts of this handbook apply.
LASH	This handbook provides loss adjustment procedures for the applicable underlying RP policies.

(1) This handbook contains terms, abbreviations, and definitions general (not crop specific) to the CLIP Insurance Program and are identified in the CIH, GSH, and LAM.

(2) Terms, abbreviations, and definitions specific to this CLIP Insurance Program are listed in Exhibits 1 and 2 herein, and specific procedures in this handbook are identified as additions or exceptions to those general procedures contained in the CIH, GSH, and LAM.

E. Area of Applicability

The CLIP is not available for CAT. CLIP must be purchased in conjunction with underlying RP policies on two or more commodities, for which CLIP is offered and specified on the AD.

2 Responsibilities

A. AIPs

AIPs must use standards, procedures, methods, and instructions as authorized by FCIC in the sale and service of crop insurance policies. Each AIP is responsible for using RMA-approved procedures. Procedures herein must be administered on a policy basis.

B. Insured

To be eligible for the CLIP Insurance Program, insureds must comply with all terms and conditions of the BP, CP, and SP for applicable underlying RP policies and with the provisions of the CLIP Insurance Program.

3-10 (Reserved)

PART 2: CLIP POLICY PROVISIONS AND PROGRAM DETAILS

11 Availability

The CLIP Insurance Program is available in counties where it is offered through the actuarial documents. The CLIP Insurance Program is only available for Spring types (not Fall or Winter types) insured under the RP plan.

CLIP cannot be modified or obtained via written agreement.

12 Applicability

A. Eligibility

(1) The CLIP Insurance Program is available to all persons with a share in the CLIP acreage insured by two or more underlying RP policies and meeting the insurability provisions contained in the BP, applicable CPs, SPs, AD, and CLIP Policy Provisions where the CLIP coverage is provided in the AD.

(2) The insured may not elect more than one CLIP policy for the county, and the underlying RP policies must also be in the same county.

(3) The insured must have:

(a) at least two underlying RP policies in force in the same county with insurable planted acreage or insurable head that conform to the coverage limits specified in the CLIP Policy Provisions. All the insured's insurable planted acreage or insurable head in the county for the applicable underlying RP crops must be insured under CLIP;

(b) at least two of the insured's underlying RP crops must each have a crop liability that constitutes at least 10 percent of the total liability for all RP crops insured under CLIP based on the applicable projected price; and

(c) If the insured does not meet either requirement specified in Para. 12A(3)(a) and (b) at any time during the crop year, the insured's CLIP policy will be canceled in accordance with Para. 20B(2).

(4) Only RP policies written through the same AIP and same agency as CLIP will be eligible for coverage under CLIP.

B. Coverage Provisions

(1) On or before the earliest Spring SCD contained in the SP for the crop year applicable for any of the insured's RP crops for which CLIP coverage is elected, the insured:

(a) must elect CLIP and the CLIP coverage level in writing; and

(b) must designate the insured RP crops to include under CLIP.

B. Coverage Provisions (Continued)

Example: If January 31 is the insured's earliest Spring SCD for the insured RP crops, CLIP and the insured's CLIP coverage level must be elected by that date and the insured must designate the insured RP crops for which the insured is electing CLIP coverage.

(2) The CLIP coverage level the insured elects under Para. 12B(1) for the current crop year will apply to all the insured's RP crops for which the insured has elected CLIP coverage.

(3) The insured is not required to insure all their RP crops under CLIP.

Example: The insured may elect CLIP for RP corn and RP soybeans and not for the insured's RP cotton, and RP grain sorghum.

(4) CLIP coverage is available only in those counties where such coverage is offered, as specified in the AD.

(5) The insured may elect HRLEO on any applicable underlying RP policy insured under CLIP. Any resulting high-risk policy under the RP plan of insurance will also be insured under CLIP.

(6) The coverage provided by the CLIP policy may be combined with other endorsements/policies that provide additional coverage for a portion of the underlying deductible, so long as every other endorsement or policy is not explicitly excluded and does not provide the same coverage as the CLIP coverage level.

(7) Except when in conflict with the CLIP Policy Provisions, all provisions of the insured's applicable RP policies apply.

13 Coverage Levels, Prices, and Other Available Coverages (Plans, Options, and Endorsements)

A. Plan Code

When elected, CLIP establishes a separate plan of insurance code of 77 for the CLIP coverage plan.

B. Coverage Levels

(1) CLIP provides an additional layer of umbrella RP coverage. CLIP coverage is available starting at 55 percent, increasing in 5 percent increments. The coverage level cap is limited to the lesser of 85 percent or 25 percent above any underlying RP policy with the lowest coverage level for the applicable RP crop or crop practice (i.e., irrigated and non-irrigated practice) or the HRLEO coverage level.

B. Coverage Levels (Continued)

Coverage will be available in 5 percent increments up to 25 percent above the lesser of the underlying RP policy with the lowest coverage level for the applicable RP crop or crop practice (i.e., irrigated and non-irrigated practice) or the HRLEO coverage level. The maximum CLIP coverage level is 85 percent.

Example: If the highest coverage level percent for your underlying RP policy A is 60 percent, and the coverage level cap is 85 percent, you may elect a CLIP coverage level percent in 5 percent increments of 60, 65, 70, 75, 80, or 85 percent.

(2) The insured may not elect coverage under CLIP for any RP policy with an RP coverage level exceeding their CLIP coverage level cap (the lesser of 85 percent or the total of the lowest coverage level percent for any underlying RP policy for the applicable RP crop or crop practice (i.e., irrigated and non-irrigated practice) or the HRLEO plus 25 percent).

(3) The insured must elect the CLIP coverage level by the applicable Spring SCD specified in Para. 12B(1).

(4) The CLIP coverage level the insured elects for CLIP under Para. 12B(1) for the current crop year will apply to the insured's RP crops included under the CLIP Policy Provisions.

(5) The CLIP coverage level applicable for the current crop year will apply for CLIP for the next and any succeeding crop year unless the insured changes the CLIP coverage level by the earliest applicable Spring SCD for the insured's RP crops covered by CLIP for the applicable crop year.

C. Prices

The prices for the CLIP policy will be the applicable projected and harvest prices for the underlying RP policies.

D. Plans of Insurance, Options, and Endorsements

(1) The CLIP policy may be elected in conjunction with the insured's underlying RP policies for which the HIP-WI, ECO, and MCO are elected. See section 2(j) of the CLIP Policy Provisions for additional information.

(2) The insured may elect HRLEO on any applicable underlying RP policy insured under CLIP. Any resulting high-risk policy under the RP plan of insurance will also be insured under CLIP.

14 Premium Rates and Administrative Fee

A. Premium Calculation

The premium amount for the insured's CLIP policy will be determined as follows:

(1) For each underlying RP policy:

(a) calculate the total value of the CLIP guarantee (the CLIP coverage level minus the RP coverage level times the approved yield times the insured acreage/number of head times the projected price times the applicable share); and

Example: 184-bushel corn approved yield × [85 percent CLIP coverage level - 75 percent RP coverage level] × 1,000 acres × $4.75 projected price × 0.500 share = $43,700 value of corn CLIP guarantee; and 59-bushel soybean approved yield × [85 percent CLIP coverage level - 60 percent RP coverage level] × 800 acres × $11.84 projected price × 1.000 share = $139,712 value of soybean CLIP guarantee.

(b) total the results of Para. 14A(1)(a) determined for each insured crop, type, and practice.

Example: $43,700 value of corn CLIP guarantee + $139,712 value of soybean CLIP guarantee = $183,412 total value of the CLIP guarantee.

(2) Multiply the total value of the CLIP guarantee from Para. 14A(1)(b) by the applicable calculated CLIP premium rate.

Example: For example, $183,412 total value of the CLIP guarantee × 0.2200 calculated CLIP premium rate = $40,351 total CLIP premium.

(3) Multiply the result of Para. 14A(2) by 1.000 share.

Example: For example, $40,351 total CLIP premium × 1.000 share = $40,351.

B. Administrative Fee

A separate administrative fee will apply to the entire CLIP policy for the county. CLIP will not require separate fees by underlying crop.

15 Subsidy Rate

The CLIP policy subsidy rate is contained in the AD.

16 Effect on the Standard Reinsurance Agreement

The CLIP insurance policy for a specific insured in a county must be designated by the AIP into a single reinsurance fund, either the Assigned Risk or Commercial Fund, as denoted in the SRA. This designation is made regardless of the fund designations that may apply for the underlying RP crop policies. The designations made by the AIP for the underlying RP policies are independent of the designation made for a particular CLIP insurance policy.

17 T-Yields

T-Yields are applicable for the approved yield determinations for the underlying RP policies.

18 Insured Crop, Types, and Practices

A. Insured Crop

The crops insured under the CLIP policy are the underlying RP crops the insured elects to cover under the CLIP policy, providing those crops meet the insurability criteria of the CLIP Policy Provisions, section 2(b).

B. Insurable Types

All types insurable under the underlying RP policies are covered.

C. Insurable Practices

All practices insurable under the underlying RP policies are covered.

19 Report of Acreage/Number of Head/Production, Assignment of Indemnity, and Transfer of Coverage and Right to Indemnity

A. Reports Not Required

When CLIP is elected, the insured is not required to file:

(1) a separate report of acreage or number of head; or

(2) a separate CLIP production report.

B. CLIP Coverage

The CLIP coverage will be determined using the accepted reports for the insured's underlying RP policies.

C. Assignment of Indemnity or Transfer of Coverage and Right to Indemnity

The insured may elect an Assignment of Indemnity or Transfer of Coverage and Right to Indemnity for the CLIP policy. Any assignment or transfer would be in addition to any assignments and transfers applicable to the underlying RP crop policies.

A. Continuous Option

The CLIP policy is continuous and will remain in effect unless any of the following conditions apply:

(1) The CLIP policy is:

(a) canceled by the insured;

(b) canceled or terminated by the AIP; or

(c) voided; or

(2) If:

(a) all the insured's underlying RP policies are canceled, terminated, or voided by the applicable cancellation/termination date for the insured's underlying RP policies;

(b) the insured chooses not to continue CLIP coverage for the insured's underlying RP policies by the earliest applicable SCD for the insured's underlying RP policies; or

(c) the insured does not meet the requirements in accordance with Para. 12A(3)(a) and (b).

B. Cancellation and Termination Dates

In accordance with section 2 of the BP:

(1) For Para. 20A(1), the cancellation and termination dates for CLIP are the earliest such dates applicable to the insured's RP crops included under CLIP, contained in the SP for the crop year;

(2) If the conditions in Para. 20A(2) apply, the CLIP policy will be retroactively canceled by the AIP to the earliest cancellation date contained in the SP for the crop year applicable for any of the insured's RP crops covered by CLIP; and

(3) The CLIP policy may be canceled without canceling the underlying RP policies.

C. Contract Change Date

In accordance with section 4 of the BP, for any changes in the CLIP Policy Provisions, the contract change date is November 30 preceding the cancellation date.

D. Other Program Dates

All other applicable dates will be contained in the AD.

21 Duties in the Event of Damage or Loss

A. The Insured’s Duties

(1) In addition to section 14 of the BP, the insured must comply with the notice provisions of each underlying RP policy.

(2) The insured must:

(a) report the production to count for each underlying RP policy; and

(b) comply with other applicable provisions of section 14 of the BP in administering CLIP and the underlying RP polices.

B. AIP Duties

(1) In addition to section 14(f) of the BP, the AIP will pay any CLIP indemnity the insured is eligible to receive for the insured’s loss under CLIP within 30 days after the date all underlying RP crop production to count is reported; and

(2) Administer CLIP and the underlying RP policies in accordance with all other applicable provisions of section 14 of the BP.

22 Insurance Period

(1) The insurance period begins in accordance with section 11(a) of the BP.

(2) In accordance with section 11(b) and (c) of the BP, coverage ends on the latest calendar date for the end of the insurance period for the insured’s underlying RP crops included under CLIP.

23 Causes of Loss (Insurable and Uninsurable)

(1) CLIP provides protection against the causes of loss specified in the underlying RP policies.

(2) No CLIP indemnity will be due on any RP crop that the AIP has determined was damaged solely by uninsured causes in accordance with the applicable settlement of claim section of the insured’s underlying RP policies.

24 Unit Division

(1) In lieu of the unit definition in the BP, all acreage or number of livestock from the underlying RP crops insured under CLIP will be insured as one CLIP unit.

(2) Unit division for the underlying RP crop policies will be established based on unit division provisions contained in the BP and applicable RP CPs.

25 Production Guarantee

The CLIP guarantee (per acre/head) is equal to the result of the approved yield for each underlying RP crop multiplied by the result of the CLIP coverage level minus the coverage level for each underlying RP crop. See the CIH and Weaned Calf ISH for additional information and examples for calculating approved yields. Additional calculation examples are contained in Para. 33.

26 Quality Adjustment

Quality adjustment determinations for the underlying RP crops will be made in accordance with terms and procedures applicable to the RP crop. No additional quality adjustment rules apply to CLIP.

27 Excluded Endorsements and Plans of Coverages

(1) The following coverages and options contained in the BP or other specified endorsements and plans of insurance are not allowed under the CLIP Policy Provisions:

  (a) Yield Protection;

  (b) Revenue Protection with Harvest Price Exclusion;

  (c) Prevented planting payments (section 17of the BP);

  (d) Cottonseed Endorsement;

  (e) Downed Rice Endorsement;

  (f) Malting Barley Endorsement;

  (g) MP;

  (h) PACE;

  (i) STAX; and

  (j) SCO.

(2) Additionally, CLIP may not be elected for use with an underlying RP policy when an additional coverage or option listed below has been elected for the insurance period.

  (a) Malting Barley Endorsement;

  (b) MP;

  (c) PACE;

  (d) STAX; and

  (e) SCO.

(3) CLIP may not be elected for use with an underlying Area Yield Protection, Area Revenue Protection, or Area Revenue Protection with Harvest Price Exclusion plan of insurance.

28-30 (Reserved)

PART 3: CLIP POLICY PROVSIONS – OTHER PROGRAM COMPONENTS

31 CIH Procedures

(1) The approved yield used for CLIP coverage is determined in accordance with the CIH procedures for each underlying RP crop policy.

(2) Production evidence, production reporting, and APH databases are established for each underlying RP crop policy. The CLIP Policy Provisions do not require separate production reporting.

(3) Indemnity determinations are based on the production to count from the underlying RP crops.

(4) Yield adjustments, yield reductions, and review and correction of APH yields are made for the underlying RP crop policies.

(5) Refer to the CIH, LASH, and other applicable handbooks regarding coverage determination and procedures for administration of the CLIP policy.

32 GSH, Exhibit 8, Crop Policy Information

Add the following information for the CLIP policy to the Crop Policy Information Table, Exhibit 8.

CROP POLICY INFORMATION

CLIP	Policy Number	Basic Provisions	Crop Provisions	LP/PP	Replant	Unit of Measure	Unit(s): Basic (B) Optional (O) Enterprise (E) Whole Farm (W)	High-Risk Land Ex. Option
CLIP Policy Provisions	26-XXXX	26-BR	Applicable Crop Provisions and Crops are based on the availability of the CLIP program as specified in the AD	Applicable for the Underlying RP Crops	Applicable for the Underlying RP Crops	Applicable for the Underlying RP Crops		Applicable for the Underlying RP Crops

33 Indemnity

A. Indemnity Payable

(1) Any indemnity that may be due under CLIP will not be determined until all claim determinations for the insured's underlying RP policies have been completed.

(2) Any indemnity payable under CLIP shall be made in addition to any indemnity payable under the insured's underlying RP policies.

B. Indemnity Calculation Steps

An indemnity under CLIP is determined as follows:

(1) determine the total value of the RP guarantee;

(2) determine the total value of the CLIP guarantee;

B. Indemnity Calculation Steps (Continued)

(3) total the results of Para. 33B(1) and Para. 33B(2);

(4) total the results of multiplying the value of RP production to count for each RP crop under CLIP times the applicable share;

(5) calculate the underlying RP crop(s) indemnity as applicable (total value of the RP guarantee - total RP value of production to count) and total the results; and

(6) subtract the total of Para. 33B(4) and Para. 33B(5) from Para. 33B(3).

C. Indemnity Calculation

Example 1: 100 Percent Share

The insured has a 100 percent share of 1,000 acres of corn, 500 acres of cotton, and 800 acres of spring wheat insured with RP coverage levels of 75 percent, 70 percent, and 60 percent, respectively. The insured's coverage level cap is 85 percent. The insured elects the CLIP coverage level at 85 percent. The insured's approved yields per acre are 189 bushels for corn, 732 pounds for cotton, and 49 bushels for spring wheat. Projected prices are $4.58 per bushel for corn, $0.83 per pound for cotton, and $4.90 per bushel for spring wheat. The calculated CLIP premium rate is 20 percent. Harvest prices are $3.85 per bushel for corn, $0.66 per pound for cotton, and $4.02 per bushel for spring wheat. The prices used to establish the total value of the insured's RP and CLIP guarantees for calculating the indemnity are the greater of the projected price or harvest price for each applicable RP policy. Production to count is 113,400 bushels for corn (yield reduced due to insurable causes), 405,000 pounds for cotton, and 41,600 bushels for spring wheat.

RP Liability

(189-bushel per acre corn approved yield × 1,000 acres × $4.58 per bushel projected price × 75 percent coverage level × 1.000 share) = $649,215 corn RP liability +

(732-pound per acre cotton approved yield × 500 acres × $0.83 per pound projected price × 70 percent coverage level × 1.000 share) = $212,646 cotton RP liability +

(49-bushel per acre spring wheat approved yield × 800 acres × $4.90 per bushel projected price × 60 percent coverage level × 1.000 share) = $115,248 spring wheat RP liability.

Total value of RP guarantee = $977,109.

C. **Indemnity Calculation (Continued)**

Example 1: 100 Percent Share (Continued)

CLIP Liability

(189-bushel per acre corn approved yield × [85 percent CLIP coverage level - 75 percent RP coverage level] × 1,000 acres × $4.58 per bushel projected price × 1.000 share) = $86,562 corn CLIP liability +

(732-pound per acre cotton approved yield × [85 percent CLIP coverage level - 70 percent RP coverage level] × 500 acres × $0.83 per pound projected price × 1.000 share) = $45,567 cotton CLIP liability +

(49-bushel per acre spring wheat approved yield × [85 percent CLIP coverage level - 60 percent RP coverage level] × 800 acres × $4.90 per bushel projected price × 1.000 share) = $48,020 spring wheat CLIP liability.

Total value of CLIP guarantee = $180,149.

CLIP Premium

Total CLIP premium = $36,030 ($180,149 total value of the CLIP guarantee × 0.2000 calculated CLIP premium rate × 1.000 share).

CLIP Indemnity

Example 1: 100 Percent Share: Reduced yield and RP price for corn; reduced RP price for cotton and spring wheat.

Steps:

(1) The total value of the RP guarantee = $977,109 ($649,215 corn RP guarantee + $212,646 cotton RP guarantee + $115,248 spring wheat RP guarantee);

(2) The total value of the CLIP guarantee = $180,149 ($86,562 corn CLIP guarantee + $45,567 cotton CLIP guarantee + $48,020 spring wheat CLIP guarantee);

(3) Total (1) and (2) to determine the total value of the RP/CLIP guarantee = $1,157,258;

(4) The total value of RP production to count = $871,122 ($436,590 corn value of production to count [113,400-bushel corn production × $3.85 per bushel harvest price × 1.000 share] + $267,300 cotton value of production to count [405,000-pound cotton production × $0.66 per pound harvest price × 1.000 share] + $167,232 spring wheat value of production to count [41,600-bushel spring wheat production × $4.02 per bushel harvest price × 1.000 share]);

(5) The RP corn indemnity = $212,625 ($649,215 corn RP guarantee - $436,590 corn value of production to count). (No other RP crop losses.); and

C. **Indemnity Calculation (Continued)**

Example 1: 100 Percent Share (Continued)

(6) $1,157,258 total value of the RP/CLIP guarantee - ($871,122 total value of RP production to count + $212,625 RP indemnity) = $73,511 CLIP indemnity.

Example 2: With Varying Shares

The insured has a 50 percent share of 1,000 acres of corn, a 100 percent share of 500 acres of cotton, and a 100 percent share of 800 acres of spring wheat insured with RP coverage levels of 75 percent, 70 percent, and 60 percent, respectively. The insured's coverage level cap is 85 percent. The insured elects the CLIP coverage level at 85 percent. The insured's approved yields per acre are 189 bushels for corn, 732 pounds for cotton, and 49 bushels for spring wheat. Projected prices are $4.58 per bushel for corn, $0.83 per pound for cotton, and $4.90 per bushel for spring wheat. The calculated CLIP premium rate is 20 percent. Harvest prices are $3.85 per bushel for corn, $0.66 per pound for cotton, and $4.02 per bushel for spring wheat. The prices used to establish the total value of the insured's RP and CLIP guarantees for calculating the indemnity are the greater of the projected price or harvest price for each applicable RP policy. Production to count is 113,400 bushels for corn (yield reduced due to insurable causes), 405,000 pounds for cotton, and 41,600 bushels for spring wheat.

RP Liability

(189-bushel per acre corn approved yield × 1,000 acres × $4.58 per bushel projected price × 75 percent coverage level × 0.500 share) = $324,608 corn RP liability +

(732-pound per acre cotton approved yield × 500 acres × $0.83 per pound projected price × 70 percent coverage level × 1.000 share) = $212,646 cotton RP liability +

(49-bushel per acre spring wheat approved yield × 800 acres × $4.90 per bushel projected price × 60 percent coverage level × 1.000 share) = $115,248 spring wheat RP liability.

Total value of RP guarantee = $652,502.

CLIP Liability

(189-bushel per acre corn approved yield × [85 percent CLIP coverage level - 75 percent RP coverage level] × 1,000 acres × $4.58 per bushel projected price × 0.500 share) = $43,281 corn CLIP liability +

(732-pound per acre cotton approved yield × [85 percent CLIP coverage level - 70 percent RP coverage level] × 500 acres × $0.83 per pound projected price × 1.000 share) = $45,567 cotton CLIP liability +

(49-bushel per acre spring wheat approved yield × [85 percent CLIP coverage level - 60 percent RP coverage level] × 800 acres × $4.90 per bushel projected price × 1.000 share) = $48,020 spring wheat CLIP liability.

C. Indemnity Calculation (Continued)

Example 2: With Varying Shares (Continued)

Total value of CLIP guarantee = $136,868.

CLIP Premium

Total CLIP premium = $27,374 ($136,868 total value of the CLIP guarantee × 0.2000 calculated CLIP premium rate × 1.000 share).

CLIP Indemnity

Example 2: With Varying Shares: Reduced yield and RP price for corn; reduced RP price for cotton and spring wheat.

Steps:

(1) The total value of the RP guarantee = $652,502 ($324,608 corn RP guarantee + $212,646 cotton RP guarantee + $115,248 spring wheat RP guarantee);

(2) The total value of the CLIP guarantee = $136,868 ($43,281 corn CLIP guarantee + $45,567 cotton CLIP guarantee + $48,020 spring wheat CLIP guarantee);

(3) Total (1) and (2) to determine the total value of the RP/CLIP guarantee = $789,370;

(4) The total value of RP production to count = $652,827 ($218,295 corn value of production to count [113,400-bushel corn production × $3.85 per bushel harvest price × 0.500 share] + $267,300 cotton value of production to count [405,000-pound cotton production × $0.66 per pound harvest price × 1.000 share] + $167,232 spring wheat value of production to count [41,600-bushel spring wheat production × $4.02 per bushel harvest price × 1.000 share]);

(5) The RP corn indemnity = $106,313 ($324,608 corn RP guarantee - $218,295 corn value of production to count). (No other RP crop losses.); and

(6) $789,370 total value of the RP/CLIP guarantee - ($652,827 total value of RP production to count + $106,313 RP indemnity) = $30,230 CLIP indemnity.

Example 3: With WCRP – 100 Percent Share

The insured has a 100 percent share of 1,000 acres of corn, 500 acres of cotton, 800 acres of spring wheat, and 100 reported head of calves insured with RP coverage levels of 75 percent, 70 percent, 60 percent, and 75 percent, respectively. The insured's coverage level cap is 85 percent. The insured elects the CLIP coverage level at 85 percent. The insured's approved yields are 189 bushels per acre for corn, 732 pounds per acre for cotton, 49 bushels per acre for spring wheat, and 600 pounds per head for WCRP. Projected prices are $4.58 per bushel for corn, $0.83 per pound for cotton, $4.90 per bushel for spring wheat, and $1.64 per pound for WCRP (based on an approved yield of 600 pounds per calf). The calculated CLIP premium rate is

C. Indemnity Calculation (Continued)

Example 3: With WCRP – 100 Percent Share (Continued)

18 percent. Harvest prices are $3.85 per bushel for corn, $0.66 per pound for cotton, $4.02 per bushel for spring wheat, and $1.55 per pound for WCRP (based on an approved yield of 600 pounds per calf). The WCRP harvest price used to establish the value of the insured's production to count is $1.76 per pound (based on the weaning weight of 362 pounds per calf). The prices used to establish the total value of the insured's RP and CLIP guarantees for calculating the indemnity are the greater of the projected price or harvest price for each applicable RP policy. Production to count is 113,400 bushels for corn (yield reduced due to insurable causes), 405,000 pounds for cotton, 41,600 bushels for spring wheat, and 36,200 pounds for WCRP (yield reduced due to insurable causes).

RP Liability

(189-bushel per acre corn approved yield × 1,000 acres × $4.58 per bushel projected price × 75 percent coverage level × 1.000 share) = $649,215 corn RP liability +

(732-pound per acre cotton approved yield × 500 acres × $0.83 projected price × 70 percent coverage level × 1.000 share) = $212,646 cotton RP liability +

(49-bushel per acre spring wheat approved yield × 800 acres × $4.90 per bushel projected price × 60 percent coverage level × 1.000 share) = $115,248 spring wheat RP liability +

(600-pound per head WCRP approved yield × 100 reported head of calves × $1.64 per pound projected price × 75 percent coverage level × 1.000 share) = $73,800 WCRP liability.

Total value of RP guarantee = $1,050,909.

CLIP Liability

(189-bushel per acre corn approved yield × [85 percent CLIP coverage level - 75 percent RP coverage level] × 1,000 acres × $4.58 per bushel projected price × 1.000 share) = $86,562 corn CLIP liability +

(732-pound per acre cotton approved yield × [85 percent CLIP coverage level - 70 percent RP coverage level] × 500 acres × $0.83 per pound projected price × 1.000 share) = $45,567 cotton CLIP liability +

(49-bushel per acre spring wheat approved yield × [85 percent CLIP coverage level - 60 percent RP coverage level] × 800 acres × $4.90 per bushel projected price × 1.000 share) = $48,020 spring wheat CLIP liability +

(600-pound per head WCRP approved yield × [85 percent CLIP coverage level - 75 percent RP coverage level] × 100 reported calves × $1.64 per pound projected price × 1.000 share) = $9,840 WCRP CLIP liability.

C. **Indemnity Calculation (Continued)**

Example 3: With WCRP – 100 Percent Share (Continued)

Total value of CLIP guarantee = $189,989.

CLIP Premium

Total CLIP premium = $34,198 ($189,989 total value of the CLIP guarantee × 0.1800 calculated CLIP premium rate × 1.000 share).

CLIP Indemnity

Example 3: With WCRP – 100 Percent Share: Reduced yield and RP price for corn and WCRP; reduced RP price for cotton and spring wheat.

Steps:

(1) The total value of the RP guarantee = $1,050,909 ($649,215 corn RP guarantee + $212,646 cotton RP guarantee + $115,248 spring wheat RP guarantee + $73,800 WCRP guarantee);

(2) The total value of the CLIP guarantee = $189,989 ($86,562 corn CLIP guarantee + $45,567 cotton CLIP guarantee + $48,020 spring wheat CLIP guarantee + $9,840 WCRP CLIP guarantee);

(3) Total (1) and (2) to determine the total value of the RP/CLIP guarantee = $1,240,898;

(4) The total value of RP production to count = $934,834 ($436,590 corn value of production to count [113,400-bushel corn production × $3.85 per bushel harvest price × 1.000 share] + $267,300 cotton value of production to count [405,000-pound cotton production × $0.66 per pound harvest price × 1.000 share] + $167,232 spring wheat value of production to count [41,600-bushel spring wheat production × $4.02 per bushel harvest price × 1.000 share] + $63,712 WCRP value of production to count [36,200 pounds total actual weaned weight × $1.76 per pound harvest price]);

(5) The RP corn indemnity = $212,625 ($649,215 corn RP guarantee - $436,560 corn value of production to count);

The WCRP indemnity = $10,088 ($73,800 WCRP guarantee - $63,712 WCRP value of production to count). (No other RP crop losses.); and

(6) $1,240,898 total value of the RP/CLIP guarantee - ($934,834 total value of RP production to count + $212,625 corn RP indemnity + $10,088 WCRP indemnity) = $83,351 CLIP indemnity.

C. Indemnity Calculation (Continued)

Example 4: With HIP-WI – 100 Percent Share

This example is provided in addition to examples provided in the CLIP Policy Provisions.

The insured has a 100 percent share of 1,000 acres of corn, 500 acres of cotton, and 800 acres of soybeans insured with RP coverage levels of 75 percent, 70 percent, and 60 percent, respectively. The insured's coverage level cap is 85 percent. The insured elects the CLIP coverage level at 85 percent. The insured also elects HIP-WI for their cotton with a coverage percentage of 90. The insured's approved yields per acre are 184 bushels for corn, 1,189 pounds for cotton, and 59 bushels for soybeans. Projected prices are $4.75 per bushel for corn, $0.82 per pound for cotton, and $11.84 per bushel for soybeans with 100 percent price elections for each. The calculated CLIP premium rate is 20 percent. Harvest prices are $4.01 per bushel for corn, $0.72 per pound for cotton, and $10.03 per bushel for soybeans. The prices used to establish the total value of the insured's RP and CLIP guarantees for calculating the indemnity are the greater of the projected price or harvest price for each applicable RP policy. Production to count is 113,400 bushels for corn (yield reduced due to insurable causes), 398,300 pounds for cotton (yield reduced due to hurricane), and 52,800 bushels for soybeans.

RP Liability

(184-bushel per acre corn approved yield × 1,000 acres × $4.75 per bushel projected price × 75 percent coverage level × 1.000 share) = $655,500 corn RP liability +

(1,189-pound per acre cotton approved yield × 500 acres × $0.82 per pound projected price × 70 percent coverage level × 1.000 share) = $341,243 cotton RP liability +

(59-bushel per acre soybean approved yield × 800 acres × $11.84 per bushel projected price × 60 percent coverage level × 1.000 share) = $335,309 soybean RP liability.

Total value of RP guarantee = $1,332,052.

CLIP Liability

(184-bushel per acre corn approved yield × [85 percent CLIP coverage level - 75 percent RP coverage level] × 1,000 acres × $4.75 per bushel projected price × 1.000 share) = $87,400 corn CLIP liability +

(1,189-pound per acre cotton approved yield × [85 percent CLIP coverage level - 70 percent RP coverage level] × 500 acres × $0.82 per pound projected price × 1.000 share) = $73,124 cotton CLIP liability +

(59-bushel per acre soybean approved yield × [85 percent CLIP coverage level - 60 percent RP coverage level] × 800 acres × $11.84 per bushel projected price × 1.000 share) = $139,712 soybean CLIP liability.

Total value of CLIP guarantee = $300,236.

C. Indemnity Calculation (Continued)

Example 4: With HIP-WI – 100 Percent Share (Continued)

CLIP Premium

Total CLIP premium = $60,047 ($300,236 total value of the CLIP guarantee × 0.2000 calculated CLIP premium rate × 1.000 share).

HIP-WI HPA Calculation

Step 1: Calculate the hurricane coverage range:

Formula: 95 percent minus the higher of the coverage level from the underlying cotton policy (which is 70 percent) or the CLIP coverage level (which is 85 percent). In this case, the higher number is the CLIP coverage level, or 85 percent.

0.95 - 0.85 = 0.10 hurricane coverage range

Step 2: Calculate the expected crop value of the underlying policy:

Formula: Divide the liability of the underlying policy by the coverage level of the underlying policy, and then by the percentage of price election or percentage of projected price, as applicable, of the underlying policy.

$341,243 ÷ 0.70 ÷ 1 = $487,490 expected crop value of underlying cotton policy

Step 3: Calculate the HPA:

Formula: Multiply the expected crop value of the underlying policy by the HIP-WI coverage range and the HIP-WI coverage percentage.

$487,490 × 0.10 × 0.90 = $43,874 HIP-WI HPA

CLIP Indemnity

Example 4: With HIP-WI – 100 Percent Share: Reduced yield for corn and cotton; reduced RP price for corn, cotton, and soybeans.

Steps:

(1) The total value of the RP guarantee = $1,332,052 ($655,500 corn RP guarantee + $341,243 cotton RP guarantee + $335,309 soybean RP guarantee);

(2) The total value of the CLIP guarantee = $300,236 ($87,400 corn CLIP guarantee + $73,124 cotton CLIP guarantee + $139,712 soybean CLIP guarantee);

C. Indemnity Calculation (Continued)

Example 4: With HIP-WI – 100 Percent Share: Reduced yield for corn and cotton; reduced RP price for corn, cotton, and soybeans. (Continued)

(3) Total (1) and (2) to determine the total value of the RP/CLIP guarantee = $1,632,288;

(4) The total value of RP production to count = $1,271,094 ($454,734 corn value of production to count [113,400-bushel corn production × $4.01 per bushel harvest price × 1.000 share] + $286,776 cotton value of production to count [398,300-pound cotton production × $0.72 per pound harvest price × 1.000 share] + $529,584 soybean value of production to count [52,800-bushel soybean production × $10.03 per bushel harvest price × 1.000 share]);

(5) The total value of the RP indemnity = $255,233 ($200,766 corn RP indemnity [$655,500 corn RP guarantee - $454,734 corn value of production to count] + $54,467 cotton RP indemnity [$341,243 cotton RP guarantee - $286,776 cotton value of production to count]). (No soybean RP crop loss.); and

(6) $1,632,288 total value of the RP/CLIP guarantee - ($1,271,094 total value of RP production to count + $255,233 RP indemnity) = $105,961 CLIP indemnity.

HIP-WI Indemnity

The FCIC determines the county meets the HIP-WI county loss trigger due to the hurricane; therefore, the HIP-WI indemnity payment for the insured's cotton is $43,874. In other words, CLIP indemnity calculations are not considered in the HIP-WI or tropical storm indemnity payments, and HIP-WI indemnity payments are not used in CLIP indemnity calculations.

34-40 (Reserved)

EXHIBITS

Exhibit 1 Acronyms and Abbreviations

The following table provides approved acronyms used in this handbook.

Approved Acronym/Abbreviation	Term
AD	Actuarial Documents
AIP	Approved Insurance Provider
APH	Actual Production History
BP	Basic Provisions
CIH	Crop Insurance Handbook
CLIP	Crop and Livestock Income Protection
CP	Crop Provisions
DSSH	Document and Supplemental Standards Handbook
ECO	Enhanced Coverage Option
FAD	Final Agency Determination
FCIC	Federal Crop Insurance Corporation
GSH	General Standards Handbook
HIP-WI	Hurricane Insurance Protection - Wind Index Endorsement
HPA	Hurricane Protection Amount
HRLEO	High-Risk Land Exclusion Option
MCO	Margin Coverage Option
MP	Margin Protection
LAM	Loss Adjustment Manual
LASH	Loss Adjustment Standards Handbook
OPI	Office of Primary Interest
PACE	Post Application Coverage Endorsement
Para.	Paragraph
RMA	Risk Management Agency
RP	Revenue Protection
SCD	Sales Closing Date
SCO	Supplemental Coverage Option
SP	Special Provisions
SRA	Standard Reinsurance Agreement
STAX	Stacked Income Protection Plan
T-Yield	Transitional Yield
USDA	United States Department of Agriculture
WCRP	Weaned Calf Risk Protection

CLIP coverage level: A single coverage level percent the insured elects that applies to all crops insured under the CLIP Policy Provisions, subject to the terms of section 4.

CLIP guarantee (per acre/head): The result of multiplying:

(a) The approved yield for each underlying RP crop; and

(b) The result of the CLIP coverage level minus the coverage level for each underlying RP crop.

CLIP indemnity: The indemnity determined in accordance with section 12 of the CLIP Policy Provisions.

CLIP unit: A single unit containing all designated crops for the insurance period. The underlying RP policy share arrangements are included in the CLIP calculations as demonstrated in example 2 in section 12 of the CLIP Policy Provisions.

Coverage level cap: The lesser of 85 percent or the total of the lowest coverage level percent for any underlying RP policy for the applicable RP crop or crop practice (i.e., irrigated and non-irrigated practice) or the High-Risk Land Exclusion Option (HRLEO) coverage level plus 25 percent.

Crop/Commodity: For purposes of CLIP, commodity shall have the same meaning as crop where applicable.

RP crop: A crop insured under an RP policy.

RP guarantee (per acre/head): The result of the approved yield for each underlying RP crop multiplied by the coverage level for each underlying RP crop.

RP policy: A policy providing coverage under the Revenue Protection (RP) plan of insurance (Plan 02).

Total value of the CLIP guarantee: The amount of coverage provided by CLIP for all applicable underlying insured RP crops, as determined in section 4 of the CLIP Policy Provisions.

Total value of the RP guarantee: The total amount of coverage provided by all applicable underlying RP policies for insured RP crops, as determined in section 12 of the CLIP Policy Provisions.

Total value of the RP production to count: The total value of the production to count of all applicable underlying RP policies, as determined in section 12 of the CLIP Policy Provisions.

Unit of measure: The applicable unit of measure of the underlying RP crops (pounds, bushels, tons, cartons, or other applicable units of measure).