

CONSERVATION COMPLIANCE EXCEPTION

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| APPLICANT/INSURED'S NAME | POLICY NUMBER | CROP YEAR |
| APPLICANT/INSURED'S STREET and/or MAILING ADDRESS, CITY AND STATE, ZIP CODE | AGENT'S NAME | |
| | AGENT'S STREET and/or MAILING ADDRESS, CITY AND STATE, ZIP CODE | |
| APPLICANT/INSURED'S TELEPHONE NUMBER | AGENT'S CODE NUMBER: | |

The Applicant/Insured must select the Statement (A, B, C or D) which is applicable to his/her situation, and print, sign his/her name and date on the back of the form.

Statement A - New Farmers:

The following statement applies to either an individual that has not previously farmed preceding the applicable reinsurance year or a legal entity in which none the SBIs of the legal entity have previously farmed preceding the applicable reinsurance year.

By signing below, I certify that:

- (1) I _____, hereafter referred to as the policyholder, began farming for the first time on _____, 20____;
(name of individual or name of legal entity) (month and day)
- (2) The policyholder, if an individual, had no interest, as an individual or legal entity, in any land or commodity subject to the Highly Erodible Land Conservation (HELC) or Wetland Conservation (WC) provisions prior to the date contained in paragraph (1);
- (3) The policyholder, if a legal entity, has no substantial beneficial interest holders, as defined in section 1 of the Common Crop Insurance Policy Basic Provisions (7 C.F.R. § 457.8), that farmed prior to the date contained in paragraph (1);
- (4) The policyholder had no substantial beneficial interest, as defined in 7 CFR Part 400, in any person who was subject to the HELC or WC provisions prior to the date contained in paragraph (1);
- (5) The policyholder understands the Risk Management Agency and the Farm Service Agency may review historical records to determine prior participation in any USDA program or prior interest in any land, crop or person that was subject to the HELC or WC provisions;
- (6) The policyholder understands that if this certification is determined to be false, the policyholder will be subject to sanctions under the policy, including but not limited to avoidance of the policy, and the policyholder may be subject to criminal or civil penalties (18 U.S.C. §1006 and §1014; 7 U.S.C. §1506; 31 U.S.C. §3729, §3730 and any other applicable Federal statutes).

Statement B – Newly Formed Entities:

The following statement applies to a newly formed legal entity in which at least one of the SBIs of the legal entity has farmed preceding the applicable reinsurance year. For a newly formed legal entity to qualify for this exception, the legal entity must have been created for legitimate businesses purposes.

By signing below, I, _____, on behalf of _____, hereafter referred to as the policyholder, certify that:
(name of individual) (name of legal entity)

- (1) At least one substantial beneficial interest holder, as defined in section 1 of the Common Crop Insurance Policy Basic Provisions (7 C.F.R. § 457.8), in the legal entity has farmed prior to signing this certification;
- (2) The policyholder began farming for the first time on (month and day), 20____;
- (3) The policyholder was organized as a legal entity such as a joint venture, partnership, corporation, etc., for legitimate business reasons such that its assets and liabilities generate economic value regardless of USDA program benefits, and not to avoid legal mandates regarding USDA program benefits including, but not limited to, Highly Erodible Land Conservation (HELC) or Wetland Conservation (WC) provisions;
- (4) The policyholder understands the Risk Management Agency and the Farm Service Agency may review historical records to determine prior participation in any USDA program or prior interest in any land, crop or person that was subject to the HELC or WC provisions; and
- (5) The policyholder understands that if this certification is determined to be false, the policyholder will be subject to sanctions under the policy(s), including but not limited to avoidance of the policy(s), and the policyholder may be subject to criminal or civil penalties (18 U.S.C. §1006 and §1014; 7 U.S.C. §1506; 31 U.S.C. §3729, §3730 and any other applicable Federal statutes).

Statement C – First Time Insureds:

The following statement applies to either an individual or legal entity that has never participated in a USDA benefit program subject to the HELC or WC provisions, did not participate in Federal crop insurance in the 2015 or subsequent reinsurance years as applicable, and has no prior interest in land subject to HELC or WC provisions. In addition, the person cannot have an SBI or be an SBI who participated in Federal crop insurance in the 2015 or subsequent reinsurance years, or in any other USDA benefit program(s) subject to the HELC or WC provisions. Persons who received notification from the Risk Management Agency or the Farm Service Agency that form AD-1026 may not be on file with USDA are not eligible for this exception.

By signing below, I certify that:

- (1) I _____, hereafter referred to as the policyholder, have never participated in any USDA benefit program(s)
(name of individual or name of legal entity)
subject to the Highly Erodible Land Conservation (HELC) or Wetland Conservation (WC) provisions;
- (2) The policyholder has not participated in the Federal crop insurance program in the 2015, or subsequent reinsurance years prior to signing this certification;
- (3) The policyholder, if an individual, had no prior interest, as an individual or legal entity, in any land or commodity subject to the HELC or WC provisions;
- (4) The policyholder has no substantial beneficial interest holder, as defined in section 1 of the Common Crop Insurance Policy Basic Provisions (7 C.F.R. § 457.8) who participated in the Federal crop insurance program in the 2015 or subsequent reinsurance years prior to signing this certification, or in any other USDA benefit program(s) subject to the HELC or WC provisions prior to signing this certification;

- (5) The policyholder had no substantial beneficial interest, as defined in section 1 of the Common Crop Insurance Policy Basic Provisions (7 C.F.R. § 457.8), in any person who participated in Federal crop insurance in the 2015 or subsequent reinsurance years prior to signing this certification, or who was subject to the HELC or WC provisions prior to signing this certification;
- (6) The policyholder has not received notification from the Risk Management Agency or the Farm Service Agency that form AD-1026 may not be on file with USDA certifying compliance with the highly erodible land conservation HELC and WC provisions;
- (7) The policyholder understands the Risk Management Agency and the Farm Service Agency may review historical records to determine prior participation in any USDA program(s), including Federal crop insurance, or prior interest in any land, crop or person who participated in Federal crop insurance or who was subject to the HELC or WC provisions; and
- (8) The policyholder understands that if this certification is determined to be false, the policyholder will be subject to sanctions under the policy, including but not limited to voidance of the policy, and the policyholder may be subject to criminal or civil penalties (18 U.S.C. §1006 and §1014; 7 U.S.C. §1506; 31 U.S.C. §3729, §3730 and any other applicable Federal statutes).

Statement D – Other:

The following statement applies to an individual (including a spouse) who may or may not have been part of another legal entity engaged in farming proceeding the applicable reinsurance year, who was an SBI to a policyholder subject to the HELC or WC provisions, but who was not required to complete an AD-1026 by FSA as an affiliated person on or prior to the beginning of the reinsurance year. Persons who received notification from the Risk Management Agency or the Farm Service Agency that form AD-1026 may not be on file with USDA are not eligible for this exception.

By signing below, I certify that:

- (1) I _____, hereafter referred to as the policyholder, began farming as an individual for the first time on _____, 20____ ;
(name of individual or name of legal entity) (month and day)
- (2) The policyholder has, or has previously held, a substantial beneficial interest, as defined in 7 CFR Part 400, in a person who was subject to the HELC or WC provisions prior to the date contained in paragraph (1), but was not previously required to sign form AD-1026;
- (3) The policyholder has not participated in the Federal crop insurance program as a primary insured in the 2015 reinsurance year, or subsequent reinsurance years as applicable, prior to signing this certification;
- (4) The policyholder has not received notification from the Risk Management Agency or the Farm Service Agency that form AD-1026 may not be on file with USDA certifying compliance with the highly erodible land conservation HELC and WC provisions;
- (5) The policyholder understands the Risk Management Agency and the Farm Service Agency may review historical records to determine prior participation in any USDA program or prior interest in any land, crop or person that was subject to the HELC or WC provisions;
- (6) The policyholder understands that if this certification is determined to be false, the policyholder will be subject to sanctions under the policy, including but not limited to voidance of the policy, and the policyholder may be subject to criminal or civil penalties (18 U.S.C. §1006 and §1014; 7 U.S.C. §1506; 31 U.S.C. §3729, §3730 and any other applicable Federal statutes).

**COLLECTION OF INFORMATION AND DATA (PRIVACY ACT) STATEMENT
Agents, Loss Adjusters and Policyholders**

The following statements are made in accordance with the Privacy Act of 1974 (5 U.S.C. 552a): The Risk Management Agency (RMA) is authorized by the Federal Crop Insurance Act (7 U.S.C. 1501-1524) or other Acts, and the regulations promulgated thereunder, to solicit the information requested on documents established by RMA or by approved insurance providers (AIPs) that have been approved by the Federal Crop Insurance Corporation (FCIC) to deliver Federal crop insurance. The information is necessary for AIPs and RMA to operate the Federal crop insurance program, determine program eligibility, conduct statistical analysis, and ensure program integrity. Information provided herein may be furnished to other Federal, State, or local agencies, as required or permitted by law, law enforcement agencies, courts or adjudicative bodies, foreign agencies, magistrate, administrative tribunal, AIP's contractors and cooperators, Comprehensive Information Management System (CIMS), congressional offices, or entities under contract with RMA. For insurance agents, certain information may also be disclosed to the public to assist interested individuals in locating agents in a particular area. Disclosure of the information requested is voluntary. However, failure to correctly report the requested information may result in the rejection of this document by the AIP or RMA in accordance with the Standard Reinsurance Agreement between the AIP and FCIC, Federal regulations, or RMA-approved procedures and the denial of program eligibility or benefits derived therefrom. Also, failure to provide true and correct information may result in civil suit or criminal prosecution and the assessment of penalties or pursuit of other remedies.

NONDISCRIMINATION STATEMENT

In accordance with Federal law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating on the basis of race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs).

To File a Program Complaint

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at <https://www.ascr.usda.gov/ad-3027-usda-program-discrimination-complaint-form>, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter by mail to the U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or email at program.intake@usda.gov.

Persons with Disabilities

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotope, American Sign Language, etc.) should contact the responsible State or local Agency that administers the program or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

Persons with disabilities, who wish to file a program complaint, please see information above on how to contact the Department by mail directly or by email.

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| APPLICANT/INSURED'S PRINTED NAME | APPLICANT/INSURED'S SIGNATURE | DATE |
| AGENT'S PRINTED NAME | AGENT'S SIGNATURE & CODE NUMBER | DATE |