

Sense of the Board

Consistent with section 508(h)(3)(B) of the Federal Crop Insurance Act (Act), the Board continues to encourage innovative approaches to provide risk management options to America's farmers and ranchers and places a priority on development of policies that address the needs of underserved crops, including commodities for which there is no insurance and crops with existing policies or plans of insurance that provide inadequate coverage or with low participation levels. At the September 2011 Board Meeting, the Board issued a Sense of the Board that placed a moratorium on the approval of weather related products due to general availability in the marketplace. Due to changes in the marketplace, the Board will now consider index-based weather plans submitted under sections 508(h) (508(h) submissions) and 522(b) (Concept Proposals) of the Act on a case-by-case basis. For submissions of policies adopting an index-based approach, the Board expects any submissions to demonstrate a clear correlation and causation between the indices and crop or livestock damage to ensure that the product functions as an insurance product under the Act.