

Risk Management Agency Interpretation of FCIC Provisions:

Subject: Request dated September 25, 2020, to the Risk Management Agency for an interpretation for the 2018 policy year in the determination of whether section 9(g) of the 2018 Whole-Farm Revenue Protection (WFRP) Pilot Policy authorizes an Approved Insurance Provider (AIP) to reduce an insured's approved revenue average coverage attaches.

The relevant policy provision provided by the requestor is section 9(g):

9. Coverage

- (g) *We will reduce your approved revenue and any indemnity or deny coverage at any time we become aware that the information used to determine your approved revenue is incorrect or is not supported by verifiable records. Your premium will be adjusted to reflect any revised approved revenue.*

Interpretation Submitted by Requestor(s)

The requestors' interpretation of section 9(g) of the 2018 WFRP Pilot Policy is an AIP has the authority to reduce the approved revenue "at any time" it is determined the information used to determine the insured's approved revenue "is incorrect or is not supported by verifiable records." The phrase "at any time" means that such a reduction can occur after coverage attaches, including during adjustment of the claim.

Federal Crop Insurance Corporation Determination

FCIC agrees with the requestors' interpretation that section 9(g) of the 2018 WFRP Pilot Policy does authorize the AIP to reduce the insured's approved revenue, at any time, when it is determined the information used to calculate the insured's approved revenue is incorrect or cannot be verified.

In accordance with section 33(a)(1) of the WFRP Pilot Policy, this FCIC interpretation is generally applicable and binding in any mediation or arbitration. In accordance with section 33(a)(1), any appeal of this interpretation must be in accordance with 7 C.F.R. part 11.