

## **Final Agency Determination: FAD-276**

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**Subject:** A request dated October 24, 2017, to the Risk Management Agency (RMA) requesting a Final Agency Determination for the 2016 crop year regarding the interpretation of Section 6(g)(2) of the Common Crop Insurance Policy Basic Provisions (Basic Provisions), published at 7 C.F.R. § 457.8. This request is pursuant to 7 C.F.R. § 400, subpart X.

### **Background:**

Referenced policy related to the request:

The Basic Provisions state, in relevant part:

#### **1. Definitions.**

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*Insurable interest.* Your percentage of the insured crop that is at financial risk.

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*Share.* Your insurable interest in the insured crop as an owner, operator, or tenant at the time insurance attaches. However, only for the purpose of determining the amount of indemnity, your share will not exceed your share at the earlier of the time of loss or the beginning of harvest.

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#### **6. Report of Acreage.**

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(g) You must provide all required reports and you are responsible for the accuracy of all information contained in those reports. You should verify the information on all such reports prior to submitting them to us.

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(2) If your share is misreported and the share is:

(i) Under-reported, any claim will be determined using the share you reported; or

(ii) Over-reported, any claim will be determined using the share we determine to be correct.

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### **Interpretations Submitted**

The requestor interprets section 6(g)(2) of the Basic Provisions to mean that since the time of loss for a prevented planting claim occurs on the expiration of the final planting date, or the end of the late planting period if the insured elects to attempt planting during the late planting period, then the insured's share for prevented planting indemnity purposes must be no greater than its insurable interest that existed at such time.

### **Final Agency Determination**

The Federal Crop Insurance Corporation (FCIC) agrees with the requestor's interpretation. In accordance with the definition of "share" in the Basic Provisions, for indemnity purposes, the insured's share will not exceed the insured's share at the earlier of the time of loss or the beginning of harvest. For the purposes of prevented planting, FCIC agrees that the time of loss would be the date by which the crop qualifies for a prevented planting payment. Section 6(g)2 of the Basic Provisions states how share will be determined if found to be misreported.

In accordance with 7 C.F.R. § 400.765(c), this Final Agency Determination is binding on all participants in the Federal crop insurance program for the crop years the policy provisions are in effect. Any appeal of this decision must be in accordance with 7 C.F.R. § 400.768(g).

**Date of Issue:** January 16, 2018