

Risk Management Agency Interpretation of Federal Crop Insurance Corporation Provisions:

Subject: Request dated March 8, 2021, to the Risk Management Agency (RMA) for an interpretation of the 2018 Whole-Farm Revenue Protection (WFRP) Pilot Policy regarding whether sections 15(j), (k), and (l) allows an Approved Insurance Provider (AIP) to cancel or terminate a policy.

The relevant policy provisions provided by the requestor are sections 15(j), (k), and (l):

15. Required Reports

- (j) *You must provide, sign, and certify all required reports and you are responsible for the accuracy of all information contained in those reports. You should verify the information on all reports prior to submitting them to us. If you submit information on any report that is different than what is determined to be correct and the information you originally submitted resulted in:
 - (1) *A lower insured revenue than the corrected insured revenue, the insured revenue under this policy will remain consistent with the reported information and all revenue will be included as revenue to count; or*
 - (2) *A higher insured revenue than the correct insured revenue, the information contained in the Farm Operation Report will be revised to be consistent with the correct information and your insured revenue will be lowered to the corrected amount.**
- (k) *If we discover you have incorrectly reported any information on your reports for any policy year, corrections may be made if authorized in section 41 but you may be required to provide documentation in subsequent policy years substantiating your reports for those policy years, including but not limited to, an acreage measurement service at your own expense. If the correction of any misreported information would affect an indemnity, or replant payment that was paid in a prior policy year, the claim will be adjusted and you will be required to pay any overpaid amounts.*
- (l) *Errors in reporting may be corrected by us at any time we discover the incorrect information and unless corrections are authorized in section 41.*

Interpretation Submitted by Requestor(s)

The first requester's interpretation is that section 15(j), (k), and (l) allow an AIP to make revisions or adjustments to an insured's coverage or indemnity in the event the AIP believes that the insured has submitted information that is inaccurate or incorrect on the required reports. However, the first requester does not interpret section 15(j), (k), or (l) to permit an AIP to cancel or terminate a policy. The first requester continues that there is nothing in section 15(j), (k), or (l) that would allow an AIP to cancel the policy if the AIP believes the information is incorrect, inaccurate, or if AIP is unable to reconcile the information provided with the Schedule F tax forms, Whole Farm History Report, Income and Expense Worksheets, or any other reports provided by the insured during the policy year. Rather, Section 15 permits adjustments in coverage only. There is an obligation to work with the insured to determine the appropriate coverage, not to simply cancel the policy.

The second requester interprets sections 15(j), (k), and (l) of the WFRP Policy to authorize an AIP to revise or adjust an insured's coverage or indemnity in the event the insured has submitted information

that is inaccurate or incorrect on the required reports. If the AIP determines that there is a lack of verifiable records to support or accurately establish the allowable expenses and allowable revenue, sections 15(j), (k), and (l) do not prohibit the AIP from cancelling the coverage.

Federal Crop Insurance Corporation Determination

FCIC agrees with both requester's interpretation that sections 15(j), (k), and (l) of the 2018 WFRP Pilot Policy allow the AIP to revise or adjust an insured's coverage or indemnity. FCIC agrees with the first requester's interpretation that sections 15(j), (k), and (l) do not permit an AIP to cancel or terminate a policy.

However, if the AIP requests additional information to verify what has been reported by the insured and that information results in the insured or the insured's farm operation not meeting the requirements of eligibility per section 3 of the 2018 WFRP Pilot Policy, the AIP may cancel the insured's WFRP policy.

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.