

**Federal Crop Insurance Corporation Provisions:**

**Subject:** A joint request dated October 15, 2021, submitted to the Risk Management Agency for a Federal Crop Insurance Corporation (FCIC) interpretation of section 22(a)(1) of the 2018 Whole-Farm Revenue Protection (WFRP) Pilot Policy.

The relevant policy provision is:

**22. *Your Duties in the Event of a Loss.***

- (a) *You must provide us with a notice of loss within 72 hours of your initial discovery that your allowable revenue for the policy year could fall below the insured revenue:*
  - (1) *In the case of damage or loss of production, your notice must specify the damaged commodity and document the cause of loss.*

**Interpretation Submitted by Requestor(s)**

**First Requestor's Interpretation:**

The first requestor interprets section 22(a)(1) of the 2018 WFRP Pilot Policy to mean within 72 hours of discovery of a damaged commodity which could create a potential loss under WFRP Pilot Policy, the insured must notify the Approved Insurance Provider (AIP) that their allowable revenue for the insurance year could fall below the insured revenue. It is not sufficient notice of a potential WFRP claim to merely advise the AIP that there is damage to the commodity without advising of the potential that the insured's revenue could fall below the insured revenue.

**Second Requestor's Interpretation:**

The second requestor interprets section 22(a)(1) of the 2018 WFRP Pilot Policy to require the insured notify the AIP within 72 hours of the loss event (e.g., freeze or other related weather event) that causes damage or loss to a commodity and allow the AIP to inspect and assess the damage or loss to the commodity at or near the time of the loss event. The second requestor further interprets that while the WFRP Pilot Policy insures revenue from the entire farming operation and the extent of the revenue loss may not be completely known until harvest, the insured is still required to notify the AIP within 72 hours of the loss event of a potential loss of production related to such loss event.

**Federal Crop Insurance Corporation Determination**

FCIC disagrees with the first requestor's interpretation of section 22(a)(1) of the 2018 WFRP Pilot Policy that an insured's report of damage to a commodity, to an AIP, without advising them of a potential loss of revenue below the insured revenue is not sufficient. FCIC agrees with the second requestor's interpretation of section 22(a)(1) that the insured is required to report, within 72 hours of initial discovery, potential damage or loss of a commodity so the AIP may inspect the damaged commodity and verify the cause of loss. FCIC interprets section 22(a)(1) to mean that the insured is required to report any potential damage or loss of production to any commodity on their farm operation, as well as the cause of loss. FCIC interprets section 22(a) to mean the insured's report must be made within 72 hours of their initial discovery, assuming the potential damage or loss could cause their allowable revenue for the insurance year to fall below their insured revenue.

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.