

Risk Management Agency Interpretation of FCIC Provisions:

Subject: Request dated December 29, 2020, letter requesting a written interpretation of the 2017 Whole-Farm Revenue Protection (WFRP) Pilot Policy regarding whether changes to the provisions or procedures occurring after the contract change date for the 2017 crop year for subsequent crop years, apply retroactively to the 2017 crop year where the subsequent procedures are not adopted in accordance with section 5 of the policy.

The relevant policy provisions provided by the requestor are:

AGREEMENT TO INSURE: We agree that in return for the payment of the premium, and subject to all of the provisions of this policy, we will provide the insurance as stated in this policy. If there is a conflict between the (1) Act; (2) regulations published at 7 CFR, Chapter IV; (3) policy provisions; and (4) procedures issued by FCIC, the order of priority is (1) controlling (2), etc. If there is a conflict between the policy provisions, the order of priority is the (1) Special Provisions, (2) actuarial documents; and (3) these Basic Provisions, with (1) controlling (2).

1. Definitions

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Contract change date - The date by which changes to the policy, if any, will be made available.

5. Contract Changes.

- (a) The contract change date is August 31 of the calendar year preceding the calendar year or fiscal year in which your insurance year begins.*
- (b) The terms and conditions of this policy may change from year to year.*
 - (1) Any changes to this policy, including the applicable policy provisions or the actuarial documents, will be published on RMA's website not later than the contract change date.*
 - (2) After the contract change date information may be revised only to correct obvious errors.*
 - (3) After the contract change date, all changes made in accordance with this section will be available upon request from your crop insurance agent.*
- (c) We will provide you, in writing, with a copy of changes to this policy, any other applicable policy provisions, and the actuarial documents, not later than 30 days prior to the cancellation date for the insurance year. If available from us, you may elect to receive these documents and changes electronically.*
- (d) Your acceptance of all changes made in accordance with this section will be conclusively presumed in the absence of notice from you to change or cancel your insurance*

Interpretation Submitted by Requestor(s)

The requester's interpretation is that while the terms of the WFRP Policy Provisions may change from year to year, the express terms of the WFRP Policy for the 2017 crop years provides that only those changes that comply with the requirements in section 5 are applicable to the 2017 crop year. The same is true as to the Handbook applicable to the 2017 crop year, changes in language and standards for adjusting the claims may change from year to year, but a change or standards of adjusting a claim that changes an accepted standard must be set forth by the Contract Change Date (CCD). Otherwise the critical elements of Notice to the insured and simple fairness to the insured is missing when

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unspecified standards are stated subsequently after the decision to purchase the policy has passed.

Federal Crop Insurance Corporation Determination

FCIC agrees with the requester's interpretation that provisions and procedures made pursuant to section 5 of the 2017 WFRP Pilot Policy are applicable only to the 2017 crop year. Subsequent changes to policy or procedure issued for future crop years are not retroactive to the 2017 crop year.

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.