

PRODUCT MANAGEMENT BULLETIN: PM-17-014

DATE March 07, 2017

TO: All Approved Insurance Providers
All Risk Management Agency Field Offices
All Other Interested Parties

FROM: Richard H. Flournoy, Deputy Administrator /s/ Richard H. Flournoy 3/7/2017

SUBJECT: Whole-Farm Revenue Protection (WFRP) and Pre-Existing Conditions

Background

The Risk Management Agency (RMA) was asked whether WFRP provides coverage of preexisting causes of loss on a farm operation. As with most Federal Crop Insurance Corporation policies, the WFRP policy has a list of insured and uninsured causes of loss during the insurance period. The WFRP policy also has requirements for producers to identify any damage to annual and perennial commodities insured under WFRP. Once a pre-existing condition or damage is identified, adjustments to the expected revenue is required via the Farm Operation Report to account for such damage. There are also procedures in the WFRP handbook to help in determining pre-existing damage or conditions.

Action

Approved Insurance Providers and producers are reminded that diseases, such as citrus greening, are a covered cause of loss under WFRP provided there is no evidence the disease was present at the beginning of the insurance period as determined using the requirements in the WFRP policy and procedures in the WFRP handbook. Section 17 of the WFRP policy states,

"(b) For the initial insurance year, you must report to us any damage that has occurred to any commodity already established on your farm operation at the time you complete your application.

(2) If you grow a perennial commodity, you must complete a Pre-Acceptance Worksheet (PAW) each year. We may inspect the condition of any perennial commodity, and will inspect any perennial commodity damaged prior to the beginning of the insurance period;

(3) We will make applicable reductions to your Intended Farm Operation Report based on our inspection of any damaged commodities, and our estimate of the effect of these conditions.

Paragraph 22 of the WFRP Handbook expands on the policy provisions above:

"A Pre-Acceptance Inspection Report is required when the insured answers "YES" to the PAW question, "Has Damage (E.G., Disease, Hail, Freeze) occurred to Trees/Vines/Bushes/Bog that Will Reduce the Insured Crop's Production from Previous Crop Years?" If it is determined that a tree disease is present prior to insurance attaching, any loss of revenue due to such disease will be considered an uninsured cause of loss. The AIP may submit a Regional Office determined yield request to obtain an accurate yield for the Intended Farm Operation Report."

DISPOSAL DATE:

This Informational Memorandum does not alter or modify any existing policy and procedural requirements.