



United States
Department of
Agriculture

Risk
Management
Agency

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Avenue, SW
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Washington, DC
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INFORMATIONAL MEMORANDUM

TO: All Reinsured Companies
All Risk Management Agency Field Offices
All Other Interested Parties

FROM: William J. Murphy /s/ *William J. Murphy* 10/18/2006
Deputy Administrator for Insurance Services

SUBJECT: Claims Advisory – Farm Service Agency (FSA) Acreage
Reports and Prevented Planting Determinations

BACKGROUND:

Insured producers may be eligible for prevented planting payments if the inability to plant is due to an insured cause that occurs during the insurance period. Insured producers must prove and approved insurance providers (AIPs) must determine prevented planting eligibility and indemnities according to Federal Crop Insurance Corporation (FCIC) issued policies and procedures.

FSA has received documentation indicating some AIPs are basing their prevented planting determinations solely on FSA determinations. Reports indicate agents or loss adjusters may be directing producers to report prevented planting acreage to FSA to support a crop insurance indemnity or to appeal the denial of a prevented planting claim. FSA procedures regarding the approval of prevented planting acreage differ from FCIC-issued policy provisions and procedures (Prevented Planting Loss Adjustment Standards Handbook, FCIC-25370).

ACTION:

Federal crop insurance policies do not require insured producers to report acreage to FSA. AIPs must independently determine prevented planting eligibility and payments based on FCIC-issued policies, procedures, information provided by the insured producer, and other generally available supporting evidence such as weather records, etc. If the producer elects to report acreage to FSA, the AIPs may use the FSA acreage report as supporting documentation only and must not rely on the FSA acreage reports as the only evidence supporting or denying a prevented planting claim. Any person claiming FCIC, the Federal crop insurance program, or the Risk Management Agency requires a report of acreage to FSA is misrepresenting FCIC-issued policy provisions and procedures.

DISPOSAL:

This memorandum is in effect until December 10, 2006.

The Risk Management Agency Administers
And Oversees All Programs Authorized Under
The Federal Crop Insurance Corporation

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