



United States
Department of
Agriculture

Farm and Foreign
Agricultural
Services

Risk
Management
Agency

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BULLETIN NO.: MGR-14-002

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

FROM: Brandon C. Willis /s/ *Brandon C. Willis* 4/15/2014
Administrator

SUBJECT: Prevented Planting Insurance Period for Changes in Persons

BACKGROUND:

In accordance with section 17(a)(1) of the Basic Provisions, for new policyholders, the prevented planting insurance period begins on the sales closing date for the insured crop in the county for the crop year the policyholder's application is accepted. For carryover policyholders, the prevented planting insurance period begins on the sales closing date for the insured crop in the county for the prior crop year, provided insurance has been in force continuously since that date.

Questions have been asked as to when prevented planting coverage begins when persons are dissolved or new persons are formed requiring a new application for insurance for a subsequent crop year, and whether for purposes of the prevented planting insurance period they are considered new policyholders or carryover policyholders.

ACTION:

If ALL persons who make up the new entity were insured in the same county the prior crop year and there was no lapse in coverage, the new entity's prevented planting insurance period would begin on the sales closing date for the insured crop in the county for the prior crop year and be considered a carryover policy. However, if the new entity contains ANY person who was not insured the prior crop year, the insurance period for prevented planting would begin on the current crop year's sales closing date.

This is consistent with section 508(h)(6) of the Federal Crop Insurance Act which provides that producers who obtain crop insurance policies for the previous crop year (albeit under either a different name or under separate crop insurance policies) are entitled to prevented planting coverage consistent with their previous crop insurance policy that was obtained the crop year immediately preceding the year of the prevented planting loss.

DISPOSAL DATE:

Until updated in the prevented planting procedures.