



**United States Department of Agriculture**

Farm and Foreign Agricultural Services  
Risk Management Agency

**INFORMATIONAL MEMORANDUM**

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

FROM: Kenneth D. Ackerman /s/ Kenneth D. Ackerman  
Administrator

SUBJECT: Claims Advisory - Uninsured Causes of Loss for Fall Seeded Crops  
in Idaho, Oregon, and Washington

**ISSUE:**

The Risk Management Agency (RMA) Regional Office in Spokane, Washington has received complaints alleging insured producers in some dry land areas of Oregon and Washington may be compromising the terms of the policy by not following recommended farming practices in planting and caring for their fall seeded acreage.

Alleged activities include: (1) recommended seeding rates not being followed; (2) poor quality seed used to plant the crop; (3) improper seed treatment; and (4) seed not being planted in a manner in which normal germination would be expected.

Insurance providers are reminded that procedural references and specific policy provisions apply for any crop where the producer has not planted and/or cared for the insured crop according to recommended good farming practices.

**BACKGROUND:**

The crop insurance contract provides protection only against unavoidable loss of production due to insured causes of loss. Producers are required to follow good farming practices in the planting and management of the crop. The Common Crop Insurance Policy Basic Provisions states the following:



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

An Equal Opportunity Employer

*The insurance provided is against only unavoidable loss of production directly caused by specific causes of loss contained in the Crop Provisions. All other causes of loss, including but not limited to the following, are NOT covered:*

- (a) Negligence, mismanagement, or wrongdoing by you, any members of your family or household, your tenants, or employees;*
- (b) Failure to follow recognized good farming practices for the insured crop;*

*Good farming practices: The cultural practices generally in use in the county for the crop to make normal progress toward maturity and produce at least the yield used to determine the production guarantee or amount of insurance, and are those recognized by the Cooperative State Research, Education, and Extension Service (CSREES) as compatible with agronomic and weather conditions in the county.*

The Crop Provisions require an appraisal of not less than the production guarantee for acreage that is **damaged solely by uninsured causes.**

The Loss Adjustment Manual, FCIC 25010 (LAM) specifies:

*The contract does not cover any loss which is due to the insured's failure to follow recognized good farming practices. Such farming practices vary by crops and by areas. Some of the more common uninsured CAUSES of loss DUE TO FAILURE TO FOLLOW recognized GOOD FARMING PRACTICES are:*

- (1) Use of damaged, old, or unadapted seed.*
- (2) Failure to plant the recommended quantity of seed.*
- (3) Improper seedbed preparation.*
- (4) Failure to properly plant, care for, or harvest the insured crop.*

The LAM requires loss adjusters to verify the cause and amount of loss was due to insured causes. Section 2, paragraph 143 provides instructions for **uninsured causes of loss**. Paragraph J specifically details instructions when a producer fails to follow good farming practices.

**ACTION:**

Insurance providers are reminded of their responsibility to determine if CSREES recommendations were followed with regard to proper seed, seedbed preparation, seeding rate and depth. If requested, the insured must provide necessary documentation, including seed, chemical, and chemical application receipts, to verify the use of good farming practices.

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Appraisals for uninsured causes of loss or crop abandonment are required in cases where:

- 1) It is determined some or all of the crop damage was not the result of insured causes of loss contained in the crop provisions, and/or;
- 2) The insured is unable to prove to the insurance provider's satisfaction that CSREES recognized good farming practices were followed in planting and caring for the crop.

Insurance providers are requested to ensure crop insurance indemnities are **only** paid for unavoidable loss of production due to insured causes of loss occurring during the insurance period.

### **DISPOSAL:**

This Informational Memorandum is providing information and does not change existing policy or procedure. The disposal date is December 31, 2000.