

sales closing date of the contract applied for or unless the insured can show that the termination was improper and should not result in subsequent ineligibility.

(h) All applicants for insurance under the Act must advise the agent, in writing, at the time of application, of any previous applications for insurance under the Act and the present status of any such applications or insurance.

§ 401.3 Premium rates, production guarantees or amounts of insurance, coverage levels, and prices at which indemnities shall be computed.

(a) The Manager shall establish premium rates, production guarantees or amounts of insurance, coverage levels, and prices at which indemnities shall be computed for the insured crop which will be included in the actuarial table on file in the applicable service offices for the county and which may be changed from year to year.

(b) At the time the application for insurance is made, the applicant will elect an amount of insurance or a coverage level and price from among those contained in the actuarial table for the crop year.

§ 401.4 OMB control numbers.

OMB control numbers are contained in Subpart H to Part 400 in Title 7 CFR.

§ 401.5 Creditors.

An interest of a person in an insured crop existing by virtue of a lien, mortgage, garnishment, levy, execution, bankruptcy, involuntary transfer or other similar interest shall not entitle the holder of the interest to any benefit under the contract.

§ 401.6 Good faith reliance on misrepresentation.

Notwithstanding any other provision of the crop insurance contract, whenever:

(a) An insured under a contract of crop insurance entered into under these regulations, as a result of a misrepresentation or other erroneous action or advice by an agent or employee of the Corporation:

(1) Is indebted to the Corporation for additional premiums; or

(2) Has suffered a loss to a crop which is not insured or for which the insured is not entitled to an indemnity because of failure to comply with the terms of the insurance contract, but which the insured believed to be insured, or believed the terms of the insurance contract to have been complied with or waived; and

(b) The Board of Directors of the Corporation, or the Manager in cases involving not more than \$100,000.00, finds that:

(1) An agent or employee of the Corporation did in fact make such misrepresentation or take other erroneous action or give erroneous advice;

(2) Said insured relied thereon in good faith; and

(3) To require the payment of the additional premiums or to deny such insured's entitlement to the indemnity would not be fair and equitable, such insured shall be granted relief the same as if otherwise entitled thereto. Requests for relief under this section must be submitted to the Corporation in writing.

§ 401.7 The contract.

The insurance contract shall become effective upon the acceptance by the Corporation of a duly executed application for insurance on a form prescribed by the Corporation. The contract shall cover the crop as provided in the policy and the crop endorsement. The contract shall consist of the application, the policy, the crop endorsement and any amendments thereto, and the county actuarial table. Changes made in the contract shall not affect its continuity from year to year. No indemnity shall be paid unless the insured complies with all terms and conditions of the contract. The forms referred to in the contract are available at the applicable service offices.

§ 401.8 The application and policy.

(a) Application for insurance on a form prescribed by the Corporation must be made by any person who wishes to participate in the program, to cover such person's share in the insured crop as landlord, owner-operator, or tenant. The application shall be submitted to the Corporation at the service office on or before the applicable

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sales closing date on file in the service office.

(b) The Corporation may reject or discontinue the acceptance of applications in any county or of any individual application upon its determination that the insurance risk is excessive. The Manager of the Corporation is authorized in any crop year to extend the sales closing date for submitting applications in any county, by placing the extended date on file in the applicable service offices and publishing a notice in the FEDERAL REGISTER upon the Manager's determination that no adverse selectivity will result during the extended period. However, if adverse conditions should develop during such period, the Corporation will immediately discontinue the acceptance of applications. If the sales closing date falls on a Saturday or Sunday or legal holiday when the service office is not open, the application must be submitted by the close of business on the next business day.

(c) In accordance with the provisions governing changes in the contract contained in previous policies and regulations issued by FCIC, a contract in the form provided for in this section will come into effect as a continuation of the contract issued under such prior regulations, without the filing of a new application.

(d) The application for the 1988 and succeeding crop years is found at subpart D of part 400, General Administrative Regulations (7 CFR 400.37 and 400.38) The provisions of the Safflower Insurance Policy for the 1988 through 1997 crop years are as follows:

DEPARTMENT OF AGRICULTURE

FEDERAL CROP INSURANCE CORPORATION

General Crop Insurance Policy

(This is a continuous contract. Refer to section 15.)

NOTE: This is a contract with the Federal Crop Insurance Corporation, a United States Government agency. The terms of the contract are published in the FEDERAL REGISTER under the provisions of the Federal Register Act (44 U.S.C. 1501), and may not be waived or varied in any way by the Crop Insurance Agent or any other agent or employee of FCIC.

AGREEMENT TO INSURE: We will provide the insurance described in this policy and

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the applicable endorsement in return for the premium and your compliance with ALL provisions of the crop insurance contract. If a conflict exists between the terms of this policy and the crop endorsement, the terms of the crop endorsement control.

Throughout this policy, "you" and "your" refer to the insured shown on the accepted Application and "we," "us," and "our" refer to the Federal Crop Insurance Corporation. Unless the context indicates otherwise, use of the plural form of a word includes the singular and use of the singular form of the word includes the plural.

Terms and Conditions

1. Causes of Loss

a. You are insured only against unavoidable loss of production directly caused by specific causes of loss contained in the crop endorsement.

b. We do not insure against any loss caused by:

(1) The neglect, mismanagement, or wrongdoing by you, any member of your family or household, your tenants, or employees;

(2) The failure to follow recognized good farming practices for the insured crop;

(3) Water contained by any governmental, public, or private dam or reservoir project;

(4) Failure or breakdown of irrigation equipment or facilities;

(5) Failure to carry out a good irrigation practice for the insured crop;

(6) Any cause not specified in the crop endorsement as an insured cause of loss; or

(7) Any other cause set out as an uninsured cause of loss in the crop endorsement.

2. Crop, Acreage, and Share Insured

a. The crop insured is the crop specified in the crop endorsement and no other, which is planted for harvest as the insured crop, which is grown on insurable acreage, and for which a guarantee or amount of insurance and premium rate are provided by the actuarial table.

b. The acreage insured for each crop year is the insurable acreage as designated by the actuarial table, which is planted to the insured crop and in which you have a share (as reported by you or as determined by us, whichever we elect).

c. The insured share is your share as landlord, owner-operator, or tenant in the insured crop at the time insurance attaches. However, only for the purpose of determining the amount of indemnity, your share will not exceed your share at the earlier of:

(1) The time of loss; or

(2) The beginning of harvest.

d. Unless the application clearly indicates that insurance is requested for a partnership or joint venture, insurance will cover only the crop share of the person making application for insurance.

e. We do not insure any acreage:

(1) If the farming practices carried out are not in accordance with the farming practices for which the premium rates have been established;

(2) Which is irrigated and an irrigated practice is not provided by the actuarial table or the crop endorsement (you may elect to insure irrigated acreage on a non-irrigated basis by reporting it as non-irrigated on the acreage report and adjusting the basis used to establish your guarantee accordingly);

(3) Which is destroyed, it is practical to replant to the insured crop, but the insured crop is not replanted;

(4) Initially planted after the final planting date, unless we allow and you agree in writing on our form, to coverage reduction (the Late Planting Option applies only on selected crops);

(5) Of a volunteer crop;

(6) Planted to a type or variety of the crop not established as adapted to the area or excluded by the actuarial table;

(7) Planted with a crop other than the insured crop;

(8) Which does not meet rotation requirements required by the crop endorsement or actuarial table;

(9) Of a second crop following the same crop (insured or uninsured) harvested in the same crop year unless specifically permitted by the crop endorsement or the actuarial table;

(10) Used for wildlife protection or management;

(11) On which a crop has not been planted and harvested in at least one of the three previous crop years unless it is determined the acreage has been in a soil conserving legume or unless the acreage meets the definition of Agricultural Stabilization and Conservation Service (ASCS) "cropland" acreage; or

(12) Which has been strip mined unless we agree in writing to insure such acreage.

f. If insurance is provided for an irrigated practice, we will insure as irrigated, and you must report as irrigated, only the acreage for which you have adequate facilities and water, at the time insurance attaches, to carry out a good irrigation practice for the insured crop.

g. Acreage which is planted for the development or production of hybrid seed or for experimental purposes is not insured, unless permitted by the crop endorsement or unless we agree, in writing, to insure such acreage.

h. We may restrict the amount of acreage which we will insure to the amount allowed under any acreage limitation program established by the United States Department of Agriculture if we advise you of that limit prior to the time insurance attaches.

i. You must not obtain any other crop insurance under the Federal Crop Insurance

Act (Multiple Peril Crop Insurance Policy or Federal Crop Insurance Policy) on your share of the insured crop. More than one policy on your share will result in our voiding the policies and collecting the premium from you unless the violation of this provision is found by us to have been inadvertent. If we determine that the violation was inadvertent, the policy with the earliest date of application will be the one in force and all other policies will be void. Nothing in this paragraph prevents the insured from obtaining other hail and fire insurance not issued under the Act and which is subject to the provisions of section 9 hereof.

j. Although your violation of a number of federal statutes including the Federal Crop Insurance Act may cause cancellation, termination, or voidance of your insurance contract, you are specifically directed to the provisions of Title XII of the Food Security Act of 1985 (Public Law 99-198) and the regulations promulgated thereunder, generally referred to as the controlled substance provisions. Your insurance policy will be cancelled if you are determined to be in violation of these provisions. We will recover any and all monies paid to you or received by you and your premium will be refunded.

3. Report of Acreage, Share, and Practice (Acreage Report)

You must report on our form:

a. All insured and uninsured acreage of the crop in the county in which you have a share;

b. The practice; and

c. Your share at the time insurance attaches.

The insurable practices are contained in the actuarial table. You must designate separately any acreage which is not insurable. The report must indicate if you do not have a share of the insured crop in the county. This report must be submitted each year on or before the acreage reporting date for the crop for the county. This report may be used as the basis to determine your premium and indemnity or we may compute premiums and indemnities on the acreage, share, and practice which is determined to have actually been in existence. If you do not submit this report by the reporting date, we may elect to determine, by unit, the insured acreage, share, and practice or we may deny liability on any unit. Because underreporting of acreage and share would have the effect of reducing your premium and any indemnity which may be due, you may not revise your report after the reporting date except with our approval. Errors in reporting units may be corrected by us to conform to applicable guidelines at the time of adjusting a loss.

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4. Production Guarantees, Coverage Levels or Amounts of Insurance, and Prices for Computing Indemnities

a. The production guarantees or amounts of insurance, coverage levels, and prices for computing indemnities are contained in the actuarial table.

b. Coverage level 2 will apply if you do not elect a coverage level.

c. You may change the amount of insurance or coverage level and price election on or before the sales closing date for the crop year.

d. You must report production to us for the previous crop year by the earlier of the acreage reporting date or 45 days after the sales closing date for the current crop year (See section 21).

If you do not provide the required production report, we will assign a yield for the previous crop year. The yield assigned by us will not be more than 75% of the yield used by us to determine your guarantee for the previous crop year. The production report or assigned yield will be used to compute your production history for the purpose of determining your guarantee for the current crop year. If you have filed a claim for any crop year, the production used to determine the indemnity payment will be the production report for that year.

5. Annual Premium

a. The annual premium is earned and payable at the time insurance attaches. The annual premium is computed by multiplying the production guarantee times the price election, times the premium rate, times the insured acreage, times your share at the time insurance attaches, and where applicable, times any applicable premium adjustment factor shown on the actuarial table.

b. If you are eligible for a premium reduction based on your experience under previous crop policies, you may retain that experience under certain conditions as set out in the crop endorsement through the 1991 crop year.

c. Your premium payment, plus any accrued interest, will be considered delinquent if any amount due us is not paid on or before the termination date specified in the crop endorsement.

6. Amounts Due Us

a. Interest will accrue at the rate of one and one-fourth percent (1¼%) simple interest per calendar month, or any part thereof, on any unpaid premium balance due us. For the purpose of premium amounts due us, the interest will start on the first day of the month following the first premium billing date.

b. For the purpose of any other amounts due us, such as repayment of indemnities found not to have been earned, interest will

start on the date that notice is issued to you for the collection of the unearned amount. Interest and penalties will be charged in accordance with 31 U.S.C. 3717 and 4 CFR 102.13. The penalty for accounts more than 90 days past due (31 U.S.C. 3717(e)(2)) is six percent (6%) per annum. Interest on any amount due us found to have been received by you because of fraud, misrepresentation or presentation by you of a false claim will start on the date you received the amount with the 6% penalty beginning 90 days after the notice of amount due is issued to you. This interest is in addition to any other amount found to be due under any other federal criminal or civil statute.

c. All amounts paid will be applied first to reduction of accrued interest, then to reduction of the principal balance.

d. If we determine that it is necessary to contract with a collection agency or to employ an attorney to assist in collection, you agree to pay all of the expenses of collection. Those expenses will be paid before the application of any amounts to interest or principal.

e. Any amount due us may be deducted from any indemnity payment due you or from any replanting payment, or from any loan or payment due you under any Act of Congress or program administered by the United States Department of Agriculture or its Agencies and from any amounts due you from any other United States Government Agency.

7. Insurance Period

Insurance attaches on each unit or part of a unit when the insured crop is planted or when the application is properly signed, completed, and delivered to your service office, whichever is later, or on the calendar date for the beginning of the insurance period if specified in the crop endorsement, and ends at the earliest of:

(a) Total destruction of the insured crop on the unit;

(b) Harvest of the unit;

(c) Final adjustment of a loss on a unit; or

(d) The calendar date for the end of the insurance period contained in the crop endorsement.

8. Notice of Damage or Loss

a. In case of damage or probable loss:

(1) You must give us written notice if:

(a) You want our consent to replant the insured crop damaged by an insured cause of loss;

(b) During the period before harvest the insured crop on a unit is damaged by an insured cause of loss and you decide not to further care for or harvest any part of it;

(c) You want our consent to put the acreage to another use; or

(d) After consent to put acreage to another use is given, additional damage due to an insured cause of loss occurs.

Insured acreage may not be put to another use until we have appraised the insured crop and given written consent. We will not consent to another use if the insured crop can be replanted. You must notify us when such acreage is replanted or put to another use.

(2) You must give us notice of probable loss at least 15 days before the beginning of harvest if you anticipate a loss on any unit.

(3) If a loss is anticipated by you on any unit within 15 days of or during harvest, notice of probable loss must be given to us within 72 hours of your discovery. A representative sample of the unharvested insured crop, as required by the crop endorsement, must remain unharvested for a period of 15 days from the date of notice unless we give you written consent to harvest the sample.

(4) In addition to the notices required by this section, if you intend to claim an indemnity on any unit, a notice of loss must be given not later than 10 days after the earliest of:

(a) Total destruction of the insured crop on the unit;

(b) Harvest of the unit; or

(c) The calendar date for the end of the insurance period.

b. You may not destroy and replant any of the insured crop on which you intend to claim a replanting payment, until we give written consent.

c. You must obtain written consent from us before you destroy any of the insured crop which is not harvested.

9. Claim for Indemnity

a. Any claim for indemnity on a unit must be submitted to us on our form not later than 60 days after the earliest of:

(1) Total destruction of the insured crop on the unit;

(2) Harvest of the unit; or

(3) The calendar date for the end of the insurance period.

b. We will not pay any indemnity unless you:

(1) Establish the total production and, if applicable, the value received for the insured crop on the unit and that any loss of production or value has been directly caused by one or more of the insured causes during the insurance period; and

(2) Furnish all information we require concerning the loss.

c. The indemnity will be determined on each unit in accordance with the applicable crop endorsement and the actuarial table.

d. If the information reported by you on the acreage report results in a lower premium than the premium determined to be due on the basis of the share, acreage, practice or type determined to actually exist, the

guarantee on the unit will be computed on the information contained in the acreage report but all production from insurable acreage, whether or not reported as insurable, will count against the guarantee.

e. The total production to be counted for a unit will include all production determined in accordance with the crop endorsement.

f. The amount of production of any unharvested insured crop may be determined on the basis of our field appraisals conducted after the end of the insurance period.

g. If you elect to exclude hail and fire as insured causes of loss and the insured crop is damaged by hail or fire, appraisals will be made in accordance with the applicable Form FCI-78 or FCI-78-A, "Request To Exclude Hail and Fire."

h. If allowed by the crop endorsement, a replanting payment may be made on an insured crop replanted after we have given consent and the acreage replanted is at least the lesser of 20 acres or 20 percent of the insured acreage for the unit (as determined on the final planting date).

(1) No replanting payment will be made on acreage:

(a) On which our appraisal establishes that production will exceed the level set by the crop endorsement;

(b) Initially planted prior to the date established by the actuarial table; or

(c) On which one replanting payment has already been allowed for the crop year.

(2) The replanting payment per acre will be your actual cost for replanting, but will not exceed the amount determined in accordance with the crop endorsement.

If the information reported by you on the acreage report results in a lower premium than the premium determined to be due based on the acreage, share, practice or type determined actually to have existed, the replanting payment will be reduced proportionately.

i. You must not abandon any acreage to us.

j. Any suit against us for an indemnity must be brought in accordance with the provisions of 7 U.S.C. 1508(c). You must bring suit within 12 months of the date notice of denial of the claim is received by you.

k. An indemnity will not be paid unless you comply with all policy provisions.

l. Under no circumstances will we be liable for the payment of damages (compensatory, punitive, or other), attorney's fees, or other charges in connection with any claim for indemnity, whether we approve or disapprove such claim. (State and local laws to the contrary are not applicable to this insurance contract.) We will pay simple interest computed on the net indemnity ultimately found to be due by us or by the final judgment of a court of competent jurisdiction, from and including the 61st day after the date you sign, date and submit to us the properly completed FCIC claim form. Interest will be

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paid only if the reason for our failure to timely pay is not due to your failure to provide information or other material necessary for the computation or payment of the indemnity. The interest rate will be that established by the Secretary of the Treasury under Section 12 of the Contract Disputes Act of 1978 (41 U.S.C. 611), and published in the FEDERAL REGISTER semiannually on or about January 1 and July 1 of each year and will vary with each publication.

m. If you die, disappear, or are judicially declared incompetent, or if you are an entity other than an individual and such entity is dissolved after insurance attaches for any crop year, any indemnity will be paid to the person determined to be beneficially entitled thereto.

n. If you have other fire insurance, fire damage occurs during the insurance period, and you have not elected to exclude fire insurance from this policy, we will be liable for loss due to fire only for the smaller of the amount:

(1) Of indemnity determined pursuant to this contract without regard to any other insurance; or

(2) By which the loss from fire exceeds the indemnity paid or payable under such other insurance. (For the purpose of this subsection, the amount of loss from fire will be the difference between the fair market value of the production on the unit before the fire and after the fire.)

10. Concealment or Fraud

We may void the insurance contract on all crops without affecting your liability for premiums or waiving any right, including the right to collect any amount due us if, at any time, you have concealed or misrepresented any material fact or committed any fraud relating to this or any other contract with us. The voidance will be effective as of the beginning of the crop year with respect to which such act or omission occurred.

11. Transfer of Right to Indemnity on Insured Share

If you transfer any part of your share during the crop year, you may transfer your right to the applicable indemnity. The transfer must be on our form and approved by us. Both you and the person to whom you transfer your interest are jointly and severally liable for the payment of the premium. The transferee has all rights and responsibilities under the contract consistent with the transferee's interest.

12. Assignment of Indemnity

You may assign to another party your right to an indemnity for the crop year. The assignment must be on our form and will not be effective until approved in writing by us. The assignee may submit all notices and

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forms required to protect the insurance contract and to claim an indemnity.

13. Subrogation (Recovery of Loss From a Third Party)

Because you may be able to recover all or a part of your loss from someone other than us, you must do all you can to preserve any such right. If we pay you for your loss, then your right of recovery will at our option belong to us. If we recover more than we paid you plus our expenses, the excess will be paid to you.

14. Records and Access to Farm

You must keep records of the harvesting, storage, shipment, sale, or other disposition of all the insured crop produced on each unit, and separate records including the same information for production of the crop from any uninsured acreage. The records must be kept for three years from the end of the crop year to which they pertain. Failure to keep and maintain such records may result in: (a) Cancellation of the contract for that crop year; (b) assignment of production to units by us; or (c) a determination that no indemnity is due, whichever we elect. Any person designated by us will have access to such records and the farm for purposes related to the contract.

15. Contract Term, Cancellation, and Termination

a. This contract will be in effect for the crop year specified on the application and may not be canceled by you for such crop year. Thereafter, the contract will continue in force for each succeeding crop year unless canceled or terminated as provided in this section.

b. This contract may be canceled by either you or us for any succeeding crop year by giving written notice on or before the cancellation date preceding such crop year.

c. This contract will terminate as to any crop year if any amount due us on this or any other contract with you is not paid on or before the termination date preceding such crop year for the contract on which the amount is due. If the amount is paid by deduction from an indemnity or other U.S. Department of Agriculture payment, the date of payment:

(1) If deducted from an indemnity, will be the date you sign the properly completed claim form; or

(2) If deducted from a payment under another program administered by the United States Department of Agriculture, will be the date both such other payment and setoff are approved.

d. The cancellation and termination dates are contained in the crop endorsement.

e. If you die or are judicially declared incompetent, or if you are an entity other than

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an individual and such entity is dissolved, the contract will terminate as of the date of death, judicial declaration, or dissolution. If such event occurs after insurance attaches for any crop year, the contract will continue in force through the crop year and terminate at the end thereof. Death of a partner in a partnership will dissolve the partnership unless the partnership agreement provides otherwise. If two or more persons having a joint interest are insured jointly, death of one of the persons will dissolve the joint entity.

f. The contract will terminate if no premium is earned for three consecutive years.

16. Contract Changes

We may change any terms and provisions of the contract from year to year. If your price election or amount of insurance at which indemnities are computed is no longer offered, the actuarial table will provide the price election or amount of insurance which you are conclusively presumed to have elected unless you elect a different price election or amount of insurance prior to the sales closing date. All contract changes will be available at your service office by the contract change date contained in the crop endorsement. Acceptance of changes will be conclusively presumed in the absence of notice from you to cancel the contract.

17. Meaning of Terms

For the purposes of the crop insurance contract:

a. *Actuarial table* means the forms and related material for the crop year approved by us which are available for public inspection in your service office, and which show the amounts of insurance or production guarantees, coverage levels or amounts of insurance, premium rates, prices for computing indemnities, practices, insurable and uninsurable acreage, and related information regarding crop insurance in the county.

b. *ASCS* means the Agricultural Stabilization and Conservation Service of the United States Department of Agriculture.

c. *ASCS farm serial number* means the number assigned to the farm by the ASCS County Office Committee.

d. *County* means the county shown on the application and any additional land located in a local producing area bordering on the county as shown by the actuarial table.

e. *Crop endorsement* means the endorsement to the policy contained in this part which sets forth the terms and conditions of insurance applicable to the named crop.

f. *Cropland* means any acreage considered by ASCS for program payment purposes.

g. *Crop year* means the period within which the crop is normally grown and will be designated by the calendar year in which the insured crop is normally harvested.

h. *Harvest* (Defined in the crop endorsement).

i. *Insurable acreage* means the land classified as insurable by us and shown as such by the actuarial table.

j. *Insured* means the person who submitted the application accepted by us and does not extend to any other person having a share or interest in the crop such as a partnership, landlord, or any other person unless specifically indicated on the application and accepted by us.

k. *Insured crop* means the crop insured under the provisions of the applicable crop endorsement.

l. *Loss ratio* means the ratio of indemnity to premium.

m. *Person* means an individual, partnership, association, corporation, estate, trust, or other legal entity, and wherever applicable, a State or a political subdivision or agency of a State.

n. *Production report* means previous year yield information including planted acreage and harvested production, reported by you, that is supportable by written verifiable records from a buyer of the insured crop or by measurement of farm stored production.

o. *Section* means a unit of measure under the rectangular survey system describing a tract of land usually one mile square and generally containing approximately 640 acres.

p. *Service office* means the office servicing your contract as shown on the application for insurance or such other approved office as may be selected by you or designated by us.

q. *Tenant* means a person who rents land from another person for a share of the crop or a share of the proceeds therefrom.

r. *Unit* means all insurable acreage of the crop in the county on the date insurance attaches for the crop year:

(1) In which you have a 100 percent share; or

(2) Which is owned by one entity and operated by another specific entity on a share basis.

Land rented for cash, a fixed commodity payment, or any consideration other than a share in the insured crop on such land will be considered as owned by the lessee. Land which would otherwise be one unit may, in certain instances, be divided according to guidelines contained in the applicable crop endorsement or by written agreement with us. Units will be determined when the acreage is reported but may be adjusted to reflect the actual unit structure when adjusting a loss; however, no further division may be made at loss adjustment time. We may consider any acreage and share thereof reported by or for your spouse or child or any member of your household to be your bona fide share or the bona fide share of any other person having an interest therein.

s. *Verifiable records* mean documents indicating a quantity of production or acreage determined by us, other government agencies, buyers, processors, packers, storage facilities or other third parties acceptable to us. The documents must include the name of the producer and entity making the measurement, the date of the measurement, and the crop type, class, or variety.

18. Descriptive Headings

The descriptive headings of the various policy terms and conditions are formulated for convenience only and are not intended to affect the construction or meaning of any of the provisions of the contract.

19. Determinations

All determinations required by the policy will be made by us. If you disagree with our determinations, you may obtain reconsideration of or appeal those determinations in accordance with Appeal Regulations (7 CFR part 400, subpart J).

20. Notices

All notices required to be given by you must be in writing and received by your service office within the designated time unless otherwise provided by the notice requirement. Notices required to be given immediately may be by telephone or in person and confirmed in writing. Time of the notice will be determined by the time of our receipt of the written notice. If the date by which you are required to submit an application or a report or notice falls on a Saturday, Sunday, or Federal holiday if your service office is not open for business on such date such notice or report must be submitted on the next business day.

21. Dates, Reports, and Notices

To preserve your rights under this insurance contract you are required to file a number of reports and notices with us by certain dates. The actual content requirements and time limits of those reports and notices are set out elsewhere in this contract and you must refer to those sections for those requirements.

As a convenience to you and without limitation on our rights under this contract, a short description of most of the dates, reports and notices have been compiled in this section. Omission of any date, report or notice, or are referred to the crop endorsement for any such requirements.)

a. "Acreage report"—A report required by section 3 of this contract. This report contains, in addition to other information, the report of the insured's share of all acreage of an insured crop in the county whether insurable or uninsurable and must be filed prior to the final acreage reporting date contained

in the actuarial table for the county for the crop insured.

b. "Another use, Notice of"—The written notice required when an insured wishes to put acreage to another use (See: Section 8).

c. "Application"—A form required by Subpart D of Part 400 of 7 CFR and each individual program regulation. The application for insurance form must be completed and filed in the service office prior to the sales closing date (contained in the actuarial table) of the initial insurance year for each crop year for which an insurance endorsement is requested by the insured.

d. "Assignment of indemnity"—A transfer of contract rights, made on our form, and effective when approved by us. It is the arrangement whereby you assign your right to an indemnity payment to any party of your choice for the crop year.

e. "Billing date"—The first date upon which an insured is billed for insurance coverage and which generally falls at or near harvest time. Interest accruing on any unpaid premium balance attaches 30 days after the billing date.

f. "Cancellation date"—The date on or before which the insured or the Corporation may cancel the insurance policy for the subsequent crop year by giving written notice.

g. "Claim for indemnity" (See: Section 9)—A claim made by the insured for damage or loss to an insured crop and submitted to the Corporation not later than 60 days after the earliest of:

- (1) Total destruction of the insured crop on the unit;
- (2) Harvest of the unit; or
- (3) The calendar date for the end of the insurance period.

h. "Claim for indemnity, Notice of"—The loss notice required to be given by the insured not later than 10 days after certain occurrences (See: Section 8).

i. "Contract change date"—The date by which FCIC makes any contract changes available for inspection in the service office (See: Section 16).

j. "Damage, notice of"—See: Probable loss, Notice of.

k. "Earliest planting date"—The earliest date established for planting the insured crop and qualifying for a replant payment (See: Actuarial Table and Section 9.h.(1)(b)).

l. "End of insurance period, Date of"—The date upon which the insured's crop insurance coverage ceases (See: Section 7).

m. "Insurance attaches, Date"—The date insurances attaches on the crop, generally after planting is completed or the calendar date in the crop endorsement (See: Section 7).

n. "Intent to abandon, Notice of"—The written notice to the Corporation by the insured indicating that because of damage

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from an insured cause, the insured has decided to no longer care for or harvest any part of the crop.

o. "Late planting agreement"—Available on selected crops. An amendment to the insurance contract which allows an insured whose planting has been delayed, to insure a crop planted after the final planting date in exchange for a reduction in coverage.

p. "Probable loss, notice of"—A written notice required to be filed in the service office whenever an insured believes that the insured crop has been damaged to the extent that a loss is probable (See: Section 8).

q. "Production report"—A written record showing the insured's annual production and used to determine the yield guarantee. (See: Section 4). The report contains previous year yield information including planted acreage and harvested production. This report must be supported by written records from a warehouseman or buyer of the insured crop or by measurement of farm stored production.

r. "Replanting, Notice of completion"—The notice required to be given by the insured to the Corporation when replanting is completed (See: Section 8).

s. "Reporting date"—The acreage reporting date (contained in the Actuarial Table) by which you are required to report all your insurable and uninsurable acreage in the county in which you have a share and your share at the time insurance attaches.

t. "Sales closing date"—The date contained in the actuarial table on file in the respective service office which sets out the final date when an application for insurance may be filed.

u. "Termination date"—The date upon which the Corporation may cancel the insurance policy for non-payment of premium.

(e) Notwithstanding the terms of the crop insurance endorsement and any contract for crop insurance under the provisions of this part, coverage under the terms of such crop insurance endorsement will be effective subject to the availability of appropriations.

[52 FR 28447, July 30, 1987, as amended at 52 FR 36401, Sept. 29, 1987; 53 FR 9099, Mar. 21, 1988; 53 FR 16540, May 10, 1988, and 54 FR 9766, Mar. 8, 1989; 54 FR 20370, May 11, 1989; 55 FR 6972, Feb. 28, 1990; 55 FR 50812, Dec. 11, 1990; 56 FR 13577, Apr. 3, 1991; 61 FR 39050, July 26, 1996; 62 FR 42649, Aug. 8, 1997]

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§ 401.101 Wheat endorsement.

The provisions of the Wheat Crop Insurance Endorsement for the 1988 through the 1994 crop years are as follows:

FEDERAL CROP INSURANCE CORPORATION

Wheat Endorsement

1. Insured Crop

a. The crop insured will be wheat planted for harvest as grain.

b. In addition to the wheat not insurable in section 2 of the general crop insurance policy, we do not insure any wheat:

(1) If the seed has not been mechanically incorporated into the soil;

(2) If the seed is planted where an established grass or legume exists unless we agree, in writing, to insure such wheat; or

(3) Destroyed or put to another use in order to comply with other U.S. Department of Agriculture programs.

2. Causes of Loss

The insurance provided is against unavoidable loss of production resulting from the following causes occurring within the insurance period:

a. Adverse weather conditions;

b. Fire;

c. Insects;

d. Plant disease;

e. Wildlife;

f. Earthquake;

g. Volcanic eruption; or

h. If applicable, failure of the irrigation water supply due to an unavoidable cause occurring after the beginning of planting; unless those causes are excepted, excluded, or limited by the actuarial table or section 9 of the general crop insurance policy.

3. Annual Premium

a. The annual premium amount is computed by multiplying the production guarantee times the price election, times the premium rate, times the insured acreage, times your share at the time of planting.

b. If you are eligible for a premium reduction in excess of 5 percent based on your insuring experience through the 1984 crop year under the terms of the experience table contained in the wheat policy for the 1985 crop year, you will continue to receive the benefit of the reduction subject to the following conditions:

(1) No premium reduction will be retained after the 1991 crop year;

(2) The premium reduction will not increase because of favorable experience;

(3) The premium reduction will decrease because of unfavorable experience in accordance with the terms of the policy in effect for the 1985 crop year;

(4) Once the loss ratio exceeds .80, no further premium reduction will apply; and

(5) Participation must be continuous.