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other determinations in accordance with 7 CFR 1.4(c).

§ 412.5 Appeals.

Any person whose request under § 412.4 above is denied shall have the right to appeal such denial. This appeal shall be submitted in accordance with 7 CFR 1.3(e) and addressed to the Manager, Federal Crop Insurance Corporation, Room 4096, South Building, U.S. Department of Agriculture, Washington, DC 20250.

§ 412.6 OMB control numbers.

OMB control numbers are contained in subpart H to part 400, title 7 CFR.

PART 413 [RESERVED]

PART 414—FORAGE SEEDING CROP INSURANCE

Subpart—Regulations for the 1981 and Succeeding Crop Years

Sec.

- 414.1 Availability of forage seeding crop insurance.
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AUTHORITY: 7 U.S.C. 1506, 1516.

SOURCE: 45 FR 49511, July 25, 1980, unless otherwise noted.

Subpart—Regulations for the 1981 and Succeeding Crop Years

§ 414.1 Availability of forage seeding crop insurance.

Insurance shall be offered under the provisions of this subpart on Forage Seeding in counties within limits prescribed by, and in accordance with the provisions of the Federal Crop Insurance Act, as amended. The counties shall be designated by the Manager of the Corporation from those approved by the Board of Directors of the Corporation.

[50 FR 27928, July 9, 1985]

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§ 414.2 Premium rates and amounts of insurance.

(a) The Manager shall establish premium rates and amounts of insurance for forage seeding which shall be shown on the county actuarial table on file in the office for the county and may be changed from year to year.

(b) At the time the application for insurance is made, the applicant shall elect an amount of insurance from among those amounts shown on the actuarial table for the crop year.

§ 414.3 OMB control numbers.

The information collection requirements contained in these regulations (7 CFR part 414) have been approved by the Office of Management and Budget (OMB) under the provisions of 44 U.S.C. Chapter 35 and have been assigned OMB control numbers 0563-0003 and 0563-0007.

[Amdt. No. 2, 49 FR 6335, Feb. 21, 1984]

§ 414.4 Creditors.

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

§ 414.5 Good faith reliance on misrepresentation.

Notwithstanding any other provision of the forage seeding insurance contract, whenever

(a) An insured person 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 person is not entitled to an indemnity because of failure to comply with the terms of the insurance contract, but which the insured person 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

(1) that an agent or employee of the Corporation did in fact make such misrepresentation or take other erroneous action or give erroneous advice, (2) that said insured person relied thereon in good faith, and (3) that 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 person shall be granted relief the same as if otherwise entitled thereto.

[45 FR 49511, July 25, 1980, as amended at 48 FR 48451, Oct. 19, 1983]

§ 414.6 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 Forage Seeding crop as provided in the policy. The contract shall consist of the application, the policy, and the county actuarial table. Any changes made in the contract shall not affect its continuity from year to year. The forms referred to in the contract are available at the applicable service office.

[50 FR 27928, July 9, 1985]

§ 414.7 The application and policy.

(a) Application for insurance on a form prescribed by the Corporation may be made by any person to cover such person's insurable share in the forage seeding crop as landlord, owner-operator, or tenant. The application shall be submitted to the Corporation at the office for the county on or before the applicable closing date on file in the office for the county.

(b) The Corporation reserves the right to discontinue the acceptance of applications in any county upon its determination that the insurance risk involved is excessive, and also, for the same reason, to reject any individual application. The Manager of the Corporation is authorized in any crop year to extend the closing date for submitting applications or contract changes in any county, by placing the extended date on file in the office for the county and publishing a notice in the FEDERAL REGISTER upon the Manager's determination that no adverse selectivity

will result during the period of such extension: *Provided, however,* That if adverse conditions should develop during such period, the Corporation will immediately discontinue the acceptance of applications.

(c) In accordance with the provisions governing changes in the contract contained in policies issued under FCIC regulations for the 1978 and succeeding crop years, a contract in the form provided for under this subpart will come into effect as a continuation of a forage seeding contract issued under such prior regulations, without the filing of a new application.

(d) The application for 1984 and succeeding crop years is found at subpart D of part 400—General Administrative Regulations (7 CFR 400.37 and 400.38), first published at 48 FR 1023, January 10, 1983, and may be amended from time to time for subsequent crop years. The provisions of the Forage Seeding Insurance Policy for the 1984 and succeeding crop years, are as follows:

DEPARTMENT OF AGRICULTURE

FEDERAL CROP INSURANCE CORPORATION

Forage Seeding—Crop Insurance Policy

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

AGREEMENT TO INSURE: We shall provide the insurance described in this policy in return for the premium and your compliance with all applicable provisions.

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.

Terms and Conditions

1. Causes of Loss

a. The insurance provided is against unavoidable loss of or failure to establish a stand of forage resulting from any of the following causes occurring within the insurance period:

- (1) Adverse weather conditions;
- (2) Fire;
- (3) Insects;
- (4) Plant disease;
- (5) Wildlife;
- (6) Earthquake; or
- (7) Volcanic eruption unless those causes are excepted, excluded, or limited by the actuarial table or section 9h.

b. We shall not insure against any loss of production due to:

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(1) The neglect or malfeasance of you, any member of your household, your tenants or employees;

(2) The failure to follow recognized good forage seeding practices;

(3) Damage resulting from the impoundment of water by any governmental, public or private dam or reservoir project; or

(4) Any cause not specified in section 1a as an insured loss.

2. Crop, Acreage, and Share Insured

a. The crop insured shall be forage seeded or reseeded (hereafter called the crop) to establish a stand of forage intended for harvest as livestock feed; which is seeded on insured acreage; and for which an amount of insurance and premium rate are provided by the actuarial table.

b. The acreage insured for each crop year shall be acreage of the crop seeded on insurable acreage as designated by the actuarial table and in which you have a share, as reported by you or as determined by us, whichever we shall elect.

c. The insured share shall be your share as landlord, owner-operator, or tenant in the insured crop at the time of seeding.

d. We do not insure any acreage:

(1) Where 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 for in the actuarial table unless you elect to insure the acreage as nonirrigated by reporting it as insurable under section 3;

(3) Which is destroyed, it is practical to reseed to the crop, and such acreage was not reseeded;

(4) Initially seeded after the final seeding date contained in the actuarial table;

(5) Of volunteer forage;

(6) Seeded to a type, variety or mixture not established as adapted to the area or excluded in the actuarial table;

(7) Seeded with another crop (excluding nurse crops); or

(8) Seeded for the development or production of hybrid seed or for experimental purposes.

e. Where insurance is provided for an irrigated practice:

(1) You shall report as irrigated only the acreage for which you have adequate facilities and water to carry out a good forage

seeding irrigation practice at the time of seeding; and

(2) Any loss of production caused by failure to carry out a good forage seeding irrigation practice, except failure of the water supply from an unavoidable cause occurring after the beginning of seeding, shall be considered as due to an uninsured cause. The failure or breakdown of irrigation equipment or facilities shall not be considered as a failure of the water supply from an unavoidable cause.

f. We may limit the insured acreage to any acreage limitation established under any Act of Congress, if we advise you of the limit prior to seeding.

3. Report of Acreage and Share

You shall report on our form:

a. All the acreage of forage seeding and reseeded in the county in which you have a share; and

b. Your share at the time of seeding or reseeded.

You shall designate separately any acreage that is not insurable. You shall report if you do not have a share in any forage seeding or reseeded in the county. This report shall be submitted annually on or before the reporting date established by the actuarial table. We may determine all indemnities on the basis of information you have submitted on this report. If you do not submit this report by the reporting date, we may elect to determine by unit the insured acreage and share or we may deny liability on any unit. Any report submitted by you may be revised only upon our approval.

4. Amounts of Insurance

a. The amounts of insurance will be contained in the actuarial table.

b. You may change the amount of insurance on or before the closing date for submitting applications for the crop year as established by the actuarial table.

5. Annual Premium

a. The annual premium is earned and payable at the time of seeding. The amount is computed by multiplying the amount of insurance times the premium rate, times the insured acreage, times you share at the time of seeding, times the applicable premium adjustment percentage contained in the following table.

PREMIUM ADJUSTMENT TABLE ¹

[Percent adjustments for favorable continuous insurance experience]

	Numbers of years continuous experience through previous year															
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 or more
	Percentage adjustment factor for current crop year															
Loss ratio ² through previous crop year																
.00 to .20	100	95	95	90	90	85	80	75	70	70	65	65	60	60	55	50
.21 to .40	100	100	95	95	90	90	90	85	80	80	75	75	70	70	65	60
.41 to .60	100	100	95	95	95	95	95	90	90	90	85	85	80	80	75	70
.61 to .80	100	100	95	95	95	95	95	95	90	90	90	90	85	85	85	80
.81 to 1.09	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

[Percent adjustments for unfavorable insurance experience]

	Numbers of loss years through previous year ³															
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Percentage adjustment factor for current crop year															
Loss ratio ² through previous crop year																
1.10 to 1.19	100	100	100	102	104	106	108	110	112	114	116	118	120	122	124	126
1.20 to 1.39	100	100	100	104	108	112	116	120	124	128	132	136	140	144	148	152
1.40 to 1.69	100	100	100	108	116	124	132	140	148	156	164	172	180	188	196	204
1.70 to 1.99	100	100	100	112	122	132	142	152	162	172	182	192	202	212	222	232
2.00 to 2.49	100	100	100	116	128	140	152	164	176	188	200	212	224	236	248	260
2.50 to 3.24	100	100	100	120	134	148	162	176	190	204	218	232	246	260	274	288
3.25 to 3.99	100	100	105	124	140	156	172	188	204	220	236	252	268	284	300	300
4.00 to 4.99	100	100	110	128	146	164	182	200	218	236	254	272	290	300	300	300
5.00 to 5.99	100	100	115	132	152	172	192	212	232	252	272	292	300	300	300	300
6.00 and up	100	100	120	136	158	180	202	224	246	268	290	300	300	300	300	300

¹ For premium adjustment purposes, only the years during which premiums were earned shall be considered.

² Loss Ratio means the ratio of indemnity(ies) paid to premium(s) earned.

³ Only the most recent 15 crop years shall be used to determine the number of "Loss Years". (A crop year is determined to be a "Loss Year" when the amount of indemnity for the year exceeds the premium for the year.)

b. Interest will accrue at the rate of one and one-quarter percent (1¼%) simple interest per calendar month, or any part thereof, on any unpaid premium balance starting on the first day of the month following the first premium billing date.

c. Any premium adjustment applicable to the contract shall be transferred to:

(1) The contract of your estate or surviving spouse if you die;

(2) The contract of the person who succeeds you if such person had previously participated in the farming operation; or

(3) Your contract if you stop farming in one county and start farming in another county.

d. If participation is not continuous, any premium shall be computed on the basis of previous unfavorable insurance experience but no premium reduction under section 5a shall be applicable.

6. Deductions for Debt

Any unpaid amount due you may be deducted from any indemnity payable to you

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.

7. Insurance Period

Insurance attaches at the time of seeding and ends at the earliest of:

a. Total destruction of the crop;

b. Harvest of the forage crop if not re-seeded;

c. Final adjustment of a loss;

d. May 21 following the calendar year of seeding for spring-seeded forage; or

e. October 15 following the calendar year of seeding for fall-seeded forage.

8. Notice of Damage or Loss

a. In case of damage or probable loss:

(1) You must give us written notice if:

(a) During the period before harvest, the crop on any unit is damaged and you decide:

(i) Not to further care for the crop; or

(ii) To reseed the acreage in the spring by the final seeding date for spring-seeded acreage;

(b) You want our consent to put the acreage to another use. Insured acreage may not be put to another use until we have appraised the crop and given written consent. We shall not consent to another use until it is too late to reseed. You must notify us when such acreage is put to another use.

(2) In addition to the notices required by this section, if you are going to claim an indemnity on any unit, we must be given notice not later than 30 days after the earlier of:

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

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

b. You must obtain our written consent before you destroy any of the crop which is not to be harvested.

c. We may reject any claim for indemnity if any of the requirements of this section or section 9 are not complied with.

9. Claim for Indemnity

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

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

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

b. We shall not pay any indemnity unless you:

(1) Establish the acreage seeded on the unit and that any loss 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 shall be determined on each unit by:

(1) Multiplying the insured acreage by the amount of insurance;

(2) Subtracting therefrom the total amount obtained by multiplying the sum of the acres with an established stand plus 10 percent of the seeded acres for the unit times the amount of insurance; and

(3) Multiplying this result by your share.

d. If the information reported by you results in a lower premium than the actual premium determined to be due, the indemnity shall be reduced proportionately.

e. The acres with an established stand shall include:

(1) Acreage which has at least 75 percent of a normal stand;

(2) Acreage abandoned or put to another use without our prior written consent;

(3) Acreage damaged solely by an uninsured cause; or

(4) Acreage which is harvested and not reseeded.

f. The amount of indemnity on any spring-seeded acreage determined in accordance with section 9c shall be reduced 50 percent if the stand is less than 75 percent but more than 55 percent of a normal stand.

g. A reseeding payment shall be made on any insured fall-seeded acreage with less than a 75 percent stand on which we have given written consent to reseed and which is reseeded in the next succeeding spring by the final spring seeding date. The amount of the reseeding payment shall be equal to 50 percent of the amount of indemnity determined in accordance with section 9c.

h. When you have elected to exclude hail and fire as insured causes of loss and the crop is damaged by hail or fire, appraisals for uninsured causes shall be made in accordance with Form FCI-78, "Request to Exclude Hail and Fire".

i. You shall not abandon any acreage to us.

j. You may not bring suit or action against us unless you have complied with all policy provisions. If a claim is denied, you may sue us in the United States District Court under the provisions of 7 U.S.C. 1508(c). You must bring suit within 12 months of the date notice of denial is mailed to and received by you.

k. We have a policy for paying your indemnity within 30 days of our approval of your claim, or entry of a final judgment against us. We will, in no instance, be liable for the payment of damages, attorney's fee, or other charges in connection with any claim for indemnity, whether we approve or disapprove such claim. We will, however, pay simple interest computed on the net indemnity ultimately found to be due by us or by a final judgment from and including the 61st day after the date you sign, date and submit to us the properly completed claim form indemnity form, 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 semi-annually on or about January 1 and July 1. The interest rate to be paid on any indemnity will vary with the rate announced by the Secretary of the Treasury. Interest will be paid in accordance with this section beginning with all claims for payment of indemnity initially filed on or after March 1, 1985.

l. 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 the seeding for any crop year, any indemnity shall be paid to the person(s) we determine to be beneficially entitled thereto.

m. If you have other fire insurance and 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:

(1) The amount of idemnity determined pursuant to this contract without regard to any other insurance; or

(2) The amount by which the loss from fire exceeds the indemnity paid or payable under such other insurance. For the purposes of this section, the amount of loss from fire shall 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 contract on all crops insured 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 the contract, and such voidance shall 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 an indemnity. The transfer must be on our form and approved by us. We may collect the premium from either you or your transferee or both. The transferee shall have all rights and responsibilities under the contract.

12. Assignment of Indemnity

You may only assign to another party your right to an indemnity for the crop year on our form and with our approval. The assignee shall have the right to submit the loss notices and forms required by the contract.

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 rights. If we pay you for your loss then your right of recovery shall at our option belong to us. If we recover more than we paid you plus our expenses, the excess shall be paid to you.

14. Records and Access to Farm

You shall keep, for two years after the time of loss, records of the seeding on each unit including separate records showing the same information for seeding on any uninsured acreage. Any person designated by us shall have access to such records and the farm for purposes related to the contract.

15. Life of Contract: Cancellation and Termination

a. This contract shall be in effect for the crop year specified on the application and may not be canceled for such crop year. Thereafter, the contract shall 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 shall 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. The date of payment of the amount due:

(1) If deducted from an indemnity claim shall be the date you sign such claim; or

(2) If deducted from payment under another program administered by the United States Department of Agriculture shall be the date such payment was approved.

d. The cancellation and termination dates are:

State	Cancellation termination date
New Hampshire, New York, Pennsylvania, Vermont.	July 31.
All other states	April 15.

e. If you die or are judicially declared incompetent, or if you are an entity other than an individual and such entity is dissolved, the contract shall terminate as of the date of death, judicial declaration, or dissolution. *However*, if such event occurs after insurance attaches for any crop year, the contract shall continue in force through the crop year and terminate at the end thereof. Death of a partner in a partnership shall 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 shall dissolve the joint entity.

f. The contract will terminate if no premium is earned for 3 consecutive years.

16. Contract Changes

We may change any terms and provisions of the contract from year to year. If your amount of insurance is no longer offered, the actuarial table will provide the amount of insurance which you are deemed to have elected. All contract changes will be available at your service office by December 31 for counties with an April 15 cancellation date (January 20, 1986, for the 1985, 1986 transition) and by April 30 for all other counties.

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Acceptance of any change will be conclusively presumed in the absence of any notice from you to cancel the contract.

17. Meaning of Terms

For the purposes of forage seeding crop insurance:

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, premium rates, insurable and uninsurable acreage, and related information regarding forage seeding insurance in the county.

b. *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.

c. *Crop year* means the period within which the seeding is or normally would become established and shall be designated by the calendar year in which the seeding is made for spring-seeded acreage and the next succeeding calendar year for fall-seeded acreage.

d. *Harvest* means the severance of the forage plant from the land for the intended use as livestock feed.

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

f. *Insured* means the person who submitted the application accepted by us.

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

h. *Reseed* means the mechanical incorporation of seed into the soil at not less than 50 percent of the original seeding rate.

i. *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.

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

k. *Unit* means all insurable acreage of either fall-seeded or spring-seeded forage in the county on the date of seeding for the crop year:

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

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

Land rented for cash, a fixed commodity payment, or any consideration other than a share in the crop on such land shall be considered as owned by the lessee. Land which would otherwise be one unit may be divided according to guidelines on file in your service office or by written agreement with. Units as herein defined will be determined when the acreage is reported. Errors in reporting such units may be corrected by us to conform to guidelines when adjusting a loss. 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 any other person having an interest therein.

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 shall be made by us. If you disagree with our determinations you may obtain reconsideration of or appeal those determinations in accordance with FCIC Appeal Regulations.

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 requirements. Notices required to be given immediately may be by telephone or in person and confirmed in writing. The time of the notice will be determined at the time of our receipt of the written notice.

[45 FR 49511, July 25, 1980, as amended by Amdt. 2, 49 FR 6335, Feb. 21, 1984; 50 FR 49027, Nov. 29, 1985; 50 FR 52758, Dec. 26, 1985; 51 FR 7546, Mar. 5, 1986; 51 FR 29205, Aug. 15, 1986; 52 FR 3214, Feb. 3, 1987; 55 FR 50814, Dec. 11, 1990]

PART 415—FORAGE PRODUCTION CROP INSURANCE REGULATIONS

Subpart—Regulations for the 1986 and Succeeding Crop Years

Sec.