

§ 457.1

7 CFR Ch. IV (1-1-97 Edition)

- 457.6 Good faith reliance on misrepresentation.
- 457.7 The contract.
- 457.8 The application and policy.
- 457.9 Appropriation contingency.
- 457.10–457.100 [Reserved]
- 457.101 Small grains crop insurance.
- 457.102 Wheat crop insurance winter coverage endorsement.
- 457.103 Malting barley option.
- 457.104 Cotton crop insurance provisions.
- 457.105 Extra long staple cotton crop insurance provisions.
- 457.107 Florida citrus fruit crop insurance provisions.
- 457.108 Sunflower seed crop insurance provisions.
- 457.109 Sugar beet crop insurance provisions.
- 457.110 Fig crop insurance provisions.
- 457.111 Pear crop insurance provisions.
- 457.113 Coarse grains crop insurance provisions.
- 457.114 Nursery crop insurance provisions.
- 457.115 Nursery frost, freeze, and cold damage exclusion option.
- 457.116 Sugarcane crop insurance provisions.
- 457.117 [Reserved]
- 457.118 Malting barley crop insurance.
- 457.119 Texas citrus fruit crop insurance provisions.
- 457.120 [Reserved]
- 457.121 Arizona-California citrus crop insurance provisions.

AUTHORITY: 7 U.S.C. 1506(l), 1506(p).

SOURCE: 56 FR 1351, Jan. 14, 1991, unless otherwise noted.

**§ 457.1 Applicability.**

The provisions of this part are applicable only to crops for which a crop provision is published as a section to 7 CFR part 457 and then only for the crops and crop year designated by the application section.

**§ 457.2 Availability of Federal crop insurance.**

(a) Insurance shall be offered under the provisions of this section on the insured crop in counties within the limits prescribed by and in accordance with the provisions of the Federal Crop Insurance Act, as amended (the Act). The crops and counties shall be designated by the Manager of the Corporation from those approved by the Board of Directors of the Corporation.

(b) The insurance is offered through two methods. First, the Corporation offers the contract contained in this part directly to the insured through agents

of the Corporation. Those contracts are specifically identified as being offered by the Federal Crop Insurance Corporation. Second, companies reinsured by the Corporation offer contracts containing the same terms and conditions as the contract set out in this part. These contracts are clearly identified as being reinsured by the Corporation.

(c) No person may have in force more than one contract on the same crop for the same crop year, in the same county, whether insured by the Corporation or insured by a company which is reinsured by the Corporation.

(d) If a person has more than one contract under the Act outstanding on the same crop for the same crop year, in the same county, all such contracts shall be voided for that crop year and the person will be liable for the premium on all contracts, unless the person can show to the satisfaction of the Corporation that the duplicate multiple peril contract of insurance was inadvertent and without the fault of the person.

(e) If the multiple contracts of insurance are shown to be inadvertent and without the fault of the insured, the contract with the earliest application will be valid and all other contracts on that crop in the county for that crop year will be cancelled. No liability for indemnity or premium will attach to the contracts so cancelled.

(f) The person must repay all amounts received in violation of this section with interest at the rate contained in the contract (see § 457.8, paragraph 21).

(g) An insured whose contract with the Corporation or with a company reinsured by the Corporation under the Act has been terminated because of violation of the terms of the contract is not eligible to obtain multiple peril crop insurance under the Act with the Corporation or with a company reinsured by the Corporation unless the insured can show that the default in the prior contract was cured prior to the 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 or policies of insurance under the Act and the present status of any such applications or insurance.

[56 FR 1351, Jan. 14, 1991, as amended at 58 FR 58262, Nov. 1, 1993]

**§ 457.3 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 agents' office 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.

**§ 457.4 OMB control numbers.**

The information collection requirements contained in these regulations 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 numbers 0563-0003, 0563-0009, and 0563-0010.

**§ 457.5 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.

**§ 457.6 Good faith reliance on misrepresentation.**

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

(a) A person entering into a contract of crop insurance under these regulations who, as a result of a misrepresentation or other erroneous action or ad-

vice 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. The Corporation reviewing officers must, upon application by the person claiming relief under this section, refer such application to the appropriate official of the Corporation for determination as to whether to grant relief under this section. Corporation reviewing officers do not have authority to grant relief under this section.

(c) The reinsured companies may use arbitration panels established under contracts for reinsurance issued by them under the FCIC Act to grant relief under the same terms and conditions as contained in paragraphs (a) and (b) of this section or, may establish procedures to administratively handle relief in accordance with such terms and conditions.

[56 FR 1351, Jan. 14, 1991, as amended at 58 FR 58262, Nov. 1, 1993]

**§ 457.7 The contract.**

The insurance contract shall become effective upon the acceptance by the Corporation or the reinsured company of a duly executed application for insurance on a form prescribed by the