



# Asked and Answered

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May 2018 Edition

# PREVENTED PLANTING ELIGIBILITY QUESTION

## AIP QUESTION

We received a prevent plant eligibility question from an agent. We did research the Prevent Plant Handbook but came up with two different answers and are hoping you can help with the question below.

We have an insured that submitted an intended acreage report in 2016 crop year for Corn. The insured did not plant any Corn acres in 2016 crop year. In 2017 crop year, they planted 36.1 acres of corn but these acres were uninsurable due to taking a cutting of Forage prior to planting the Corn acres.

Can the insured still use the intended acreage report that was submitted in the 2016 crop year for the 2018 crop year? Or, would the insured had to submit a new intended acreage report by the 3/15 sales closing date for the 2018 crop year to have prevent plant eligibility?

## NCIS RESPONSE

I checked with my colleagues here and we would say an intended acreage report is only valid for the crop year for which it was submitted, and cannot be used for any other year. For reference, see the 2018 CCIP Basic Provisions definition of “intended acreage report” and section 17(e)(1)(ii)(A)(1).

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Definition in 2018 CCIP BP section 1:

**Intended acreage report** - A report of the acreage you intend to plant, by crop, for the current crop year and used solely for the purpose of establishing eligible prevented planting acreage, as required in section 17.

BP section 17(e)(1)(ii)(A)(1):

(ii) If you have not planted any crop in the county for which prevented planting insurance was available (you will be considered to have planted if your APH database contains actual planted acres) or have not received a prevented planting insurance guarantee in all of the four most recent crop years, and the insured crop is not required to be contracted with a processor to be insured:

(A) The number of eligible acres will be:

(1) The number of acres specified on your intended acreage report, which must be submitted to us by the sales closing date for all crops you insure for the crop year and that is accepted by us; or

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# WFRP – WORKERS COMPENSATION

## AIP QUESTION

We have received some conflicting information regarding whether Workers Compensation premium can be included as an Allowable Expense under the WFRP policy? I was wondering if you could clarify whether it is or isn't an allowable expense?

Answers we have received.

1.

Hello,

Section 11(a)(11) of the WFRP policy states:

*(a) Allowable Expenses are limited to the following expenses:*

*(11) Insurance (other than health) (line 20 of Schedule F);*

Worker's Compensation insurance does not fall within the category of health insurance, therefore can be considered an Allowable Expense.

Thank you for contacting the Risk Management Agency.

Public Affairs Branch

2.

Worker compensation would not be an allowable expense for WFRP. Sometimes we have seen it on Line 15 of the Schedule F - Employee benefit programs, and sometimes it is listed under Line 32 Other expenses. It is a type of Health Insurance and is not a WFRP allowable expense.

Spokane Regional Office

## NCIS RESPONSE

I would be in agreement with Spokane's answer. Worker's Compensation insurance is detailed as follows in IRS publication 225:

*"Workers' compensation insurance set by state law that covers any claims for job-related bodily injuries or diseases suffered by employees on your farm, regardless of fault."*

This is from the glossary of terms from NAIC's site:

**"Workers' Compensation** - insurance that covers an employer's liability for injuries, disability or death to persons in their employment, without regard to fault, as prescribed by state or federal workers' compensation laws and other statutes."

Here's a link that further describes Worker's Comp: [http://www.naic.org/cipr\\_topics/topic\\_workers\\_comp.htm](http://www.naic.org/cipr_topics/topic_workers_comp.htm)

This is from the Insurance Information Institute:

***“WORKERS COMPENSATION*** - Insurance that pays for medical care and physical rehabilitation of injured workers and helps to replace lost wages while they are unable to work. State laws, which vary significantly, govern the amount of benefits paid and other compensation provisions.”

Although Worker’s Compensation isn’t qualifying coverage to avoid paying a fee for not having insurance under the ACA, it is referenced as a health plan on HealthCare.gov.

<https://www.healthcare.gov/fees/plans-that-count-as-coverage/>

I would be interested to know who the Public Affairs Branch consulted prior to providing an answer. I will pass this on to the WFRP team to see if this has crossed their desks.

#### RMA RESPONSE

Public Affairs did seek guidance on the question referenced below and I personally provided the response that PA provided.

Workers’ Compensation is not considered health insurance for the purposes of Allowable Expenses within the WFRP Policy.