Risk Management Agency
1995
Manager Bulletins

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Risk Management Agency 1995 Manager Bulletins 1

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United States Department of Agriculture
Consolidated Farm Service Agency
Office of Risk Management
Washington, D.C. 20250

January 6, 1995

BULLETIN NO.: MGR-95-001

TO: All Reinsured Companies
CFSA Headquarters, State and County Offices
All Risk Management Field Offices

FROM: Kenneth D. Ackerman
Acting Deputy Administrator

SUBJECT: Extended Dates for 1995 Crop Year Catastrophic Risk Protection Sign Up for Certain Crops and 1995 and 1996 Crop Years for Arizona, California, and Texas Citrus Fruit

BACKGROUND:

The 1995 Crop Year Actuarial Table Supplement conforming to the Federal Crop Insurance Reform Act of 1994 (Act) specifies that catastrophic risk protection coverage (CAT) is available to producers of all insurable crops until the crop sales closing date. The supplement further states that on crops for which the sales closing date has passed or for which insurance will attach prior to January 1, 1995, the producer may sign up for CAT until the latest spring sales closing date in the county. If the county does not have a spring sales closing date, March 15, 1995 will be the sales closing date for all eligible crops under CAT coverage.

The Act also requires the Federal Crop Insurance Corporation (FCIC) to establish sales closing dates for all spring planted crops for the 1995 crop year that are 30 days earlier than those established for the 1994 crop year. Therefore, the sales closing dates contained in the Special Provisions for the 1995 crop year have been moved at least 30 days earlier for all such crops. Due to the date of passage of the Act and attendant impact on program development, these new sales closing dates may be an impediment to orderly sales of the revised crop insurance.

Extended Dates for 1995 Crop Year Catastrophic Risk Protection Sign Up for Certain Crops and 1995 and 1996 Crop Years for Arizona, California, and Texas Citrus Fruit.

ACTION:

To allow sufficient time for producers to apply for CAT coverage only, FCIC is extending the dates by which producers may apply for CAT coverage as follows:

1. When the sales closing date has passed or insurance attaches prior to January 1, 1995, the producer may sign up for CAT until the latest spring sales closing date in the county. For

those crops for which insurance attached after January 1, 1995, and have a sales closing date prior to February 15, 1995, the sales closing date will be February 15, 1995. If the county does not have a spring sales closing date, March 15, 1995, will be the sales closing date for CAT for eligible crops. This applies to the 1995 and 1996 crop years for Arizona, California, and Texas citrus fruit.

2. For any crop that has a sales closing date after February 15, 1995, producers will have until that date for the crop to purchase CAT for the 1995 crop year.

The extended dates specified in item 1. apply only to producers who wish to purchase CAT coverage, provided they do not already have insurance in effect for the specific crop year.

United States Department of Agriculture
Consolidated Farm Service Agency
Office of Risk Management
Washington, D.C. 20250

January 6, 1995

BULLETIN NO.: MGR-95-002

TO: All Reinsured Companies
CFSA Headquarters, State and County Offices
All Risk Management Field Offices

FROM: Kenneth D. Ackerman
Acting Deputy Administrator

SUBJECT: Standard Reinsurance Agreement Renewal

BACKGROUND:

The 1995 Standard Reinsurance Agreement (SRA) requires the Federal Crop Insurance Corporation (FCIC) to give at least one hundred eighty (180) days advance notice in writing prior to the annual renewal date if it does not intend to renew the SRA. This action would have been taken prior to January 1, 1995, had FCIC intended to cancel the current agreement for the 1996 reinsurance year.

ACTION:

FCIC has decided not to issue a Notice of Cancellation for the 1995 SRA. Given the significant and fundamental changes in the Federal crop insurance program in recent years, we feel this action will be beneficial to producers, taxpayers, and the crop insurance industry by providing program stability for more than one year. This action will also provide the opportunity to assess the impact of Crop Insurance Reform before making additional changes to the SRA.

United States Department of Agriculture
Consolidated Farm Service Agency
Office of Risk Management
Washington, D. C. 20250

January 25, 1995

BULLETIN NO.: MGR-95-003

TO: All Reinsured Companies
All Risk Management Field Service Offices
CFSA Headquarters, State and County Offices

FROM: Kenneth D. Ackerman
Acting Deputy Administrator

SUBJECT: 1995 Cotton (Upland and ELS) Price Election Change

BACKGROUND:

The Federal Crop Insurance Corporation (FCIC) established the 1995 crop year price election for upland and ELS cotton based on the market outlook during October 1994. This timing was needed so that a price could be published in the actuarial documents for crops with a November 30 contract change date. Since that time, unanticipated events in the cotton market have driven expected market prices for the 1995 crop year significantly above the previously established price elections. Several factors, including unexpected crop damage in other countries, are expected to decrease U.S. ending stocks and increase exports for the 1994 and 1995 crop years. As a result, many interested parties have asked FCIC to reconsider and increase the 1995 price elections.

ACTION:

FCIC is increasing the price election for upland cotton by $0.09 per pound and ELS cotton by $0.10 per pound for the 1995 crop year as follows:

	Current 1995 Election	New 1995 Election
UPLAND COTTON	------Dollars Per Pound-------	
New Mexico		
Eastern	0.53	0.62
Western	0.61	0.70
Oklahoma		
Eastern	0.56	0.65
Western	0.53	0.62
Texas		
Southwest	0.61	0.70
High Plains	0.53	0.62
Central	0.56	0.65
Southeast	0.59	0.68
Other States	0.61	0.70

ELS COTTON	Current 1995 Election	New 1995 Election
	------Dollars Per Pound-------	
All States	0.90	$1.00

For cotton policyholders whose sales closing date was January 15, 1995 (28 counties in Texas), and who selected 100 percent of the price election, companies are authorized to increase the price election to 100 percent of the new price election. These producers may elect any price between the current and new price election but must notify the agent in writing by February 28, 1995, of their decision. Any policyholder who previously chose a price election amount less than 100 percent will continue to have that lower price election.

Under the Federal Crop Insurance Reform Act of 1994, subsidy and producer administrative fees are based on the relationship of the price election chosen by the insured compared to the maximum. Many producers already may have made their choices based on the previously announced price election filed at the contract change date. Therefore, to protect such persons from unanticipated changes in subsidy and producer administrative fees, the previously announced price elections will be considered to be the maximum price election for calculating subsidy and producer administrative fees. Price elections that exceed the previously announced levels will be regarded as 100 percent of the maximum price election. Thus, there will be no effect on the producer premium factor or producer administrative fees as a result of this increase in the price election. This rule applies to all cotton policies in all counties nationwide.

All cotton policyholders whose sales closing dates are February 28 or March 15 will have the option to select any price election up to the new price elections prior to the sales closing date.

Sales will not be re-opened in the 28 counties because of this change. Reinsured companies should immediately notify all policyholders of the price election changes.

Catastrophic coverage (50/60) will be based on 60 percent of the new price election.

United States Department of Agriculture | **Consolidated Farm Service Agency** | **Office of Risk Management** | **Washington, D.C. 20250**

February 6, 1997

BULLETIN NO.: MGR-95-004

TO: All Reinsured Companies
All Risk Management Field Offices
CFSA Headquarters, State and County Offices
All Others Interested in MPCI

FROM: Kenneth D. Ackerman
Acting Deputy Administrator

SUBJECT: Standard Reinsurance Agreement Renewal, Exhibit 14

The Consolidated Farm Service Agency's Office of Risk Management (CFSA/ORM) issued an Optional Amendment (Amendment) and Plan of Operations (Plan) on December 27, 1994. On January 11, 1995 the Revised Optional Amendment and Plan of Operations to the 1995 Standard Reinsurance Agreement (Agreement) was issued without Exhibit 14. After further review of Exhibit 14 of the Plan, corrections and additions have been made to counties, crops, and corresponding county/crop codes for the 1995 Agreement. The revisions to Exhibit 14 are as follows:

Alaska, 010 Aleutian Islands, 020 Anchorage, 050 Bethel, 060 Bristol Bay, 070 Dillingham, 100 Haines, 110 Juneau, 122 Kenai Peninsula, 130 Ketchikan Gateway, 140 Kobuk, 150 Kodiak Island, 180 Nome, 185 North Slope, 201 Prince Wales-Outer K, 220 Sitka, 231 Skagway-Yakutat-Ango; Arizona, 007 Gila; California, 051 Mono, 053 Monterey, 109 Tuolumne, 113 Yolo, 115 Yuba, 011 Wheat; Colorado, 019 Clear Lake, 031 Denver, 047 Gilpin, 053 Hinsdale, 079 Mineral, 111 San Juan; Florida, 019 Clay, 037 Franklin; Georgia, 067 Cobb; Idaho, 079 Shoshone; Maryland, 510 Baltimore City; Massachusetts, 025 Suffol; Missouri, 510 St. Louis City; Montana, 113 Yellowstone; New York, 059 Nassau, 061 New York; Pennsylvania, 101 Phildelphia; Texas, 495 Winkler, 013 Arlington.

In addition, during the editing of the Amendment to the 1995 Agreement to implement the Federal Crop Insurance Reform Act of 1994, an inadvertent error was made in Section IV.D.5. of the Amendment. This error has also been corrected and a copy of page 5 including this section is attached. Please replace this page in the final Amendment submitted for approval and signature by the CFSA/ORM. If your final Amendment has already been submitted, we will slip sheet the final contract prior to CFSA/ORM approval.

Attached also is the revised Exhibit 14 in its entirety. Please replace it in the 1995 Plan. If you should have any questions, please contact your Delivery System Services Account Executive.

Attachments (2)

United States Department of Agriculture
Consolidated Farm Service Agency
Office of Risk Management
Washington, D.C. 20250

BULLETIN NO.: MGR-95-005

TO: All Reinsured Companies
CFSA Headquarters, State, and County Offices
All Risk Management Field Offices

FROM: Kenneth D. Ackerman
Acting Deputy Administrator

SUBJECT: Regulatory and Procedural Revisions/Clarifications for Implementation of the Federal Crop Insurance Reform Act of 1994

ISSUE:

Various issues have been raised regarding certain procedures for the implementation of the Federal Crop Insurance Reform Act of 1994 (Act). In addition, public comments received on the catastrophic risk protection endorsement and the general administrative regulations, 7 CFR Part 400, Subpart T, published in the Federal Register as Interim Rule require some revisions. The following provides clarification for these issues and revisions to regulations that Federal Crop Insurance Corporation (FCIC) intends to make at time of Final Rule.

DISCUSSION:

1. Issue: The catastrophic risk protection (CAT) endorsement subsection 6.(c), specifies that the producer may separately insure acreage that has been designated as high risk land by the FCIC provided that the producer has executed a High Risk Land Exclusion Option under additional coverage and obtained a CAT policy for the high risk land with the same insurance provider.

   Clarification: Some approved insurance providers may not participate in the sales and service of CAT coverage. Therefore, if the producer has obtained limited or additional coverage from an approved insurance provider who does not sell CAT coverage and the producer has executed a High Risk Land Exclusion Option under that policy, the producer may obtain the CATcoverage on the high risk land from another approved insurance provider (Consolidated Farm Service Agency (CFSA) or a reinsured company). Reinsured Companies not selling CAT coverage must advise policyholders that they must obtain the CAT coverage/policy to maintain eligibility for certain other Department of Agriculture (USDA) program benefits.

2. Issue: General administrative regulations, 7 CFR Part 400, Subpart T, paragraph §400.654 (d)(1) states:

> "An insured who is eligible to receive an indemnity under a limited or an additional coverage plan of insurance and who is also eligible to receive benefits for the same loss under any other USDA program may receive benefits under both programs unless specifically limited by the crop insurance policy. However, the total amount received for the loss will not exceed the amount of the actual loss sustained by the insured. The amount of the actual loss will be the difference between the fair market value of the production before and after the loss, as determined by the approved insurance provider based upon the insured's production records."

Clarification: Companies are responsible for administering their contract with insured producers. The CFSA will be responsible for determining and paying the additional amount due the insured for any applicable USDA program benefit, after first considering the appropriate amount of indemnity to be paid for the loss. The provision "...as determined by the approved insurance provider" will be removed when the regulation is published as Final Rule.

3. Issue: The following question has been raised regarding the definition for "crop of economic significance." If a producer planted a crop in 1994 and does not intend to plant the same crop in 1995, does the crop meet the definition of "crop of economic significance" for the purpose of linkage requirements?

Clarification: The CAT endorsement and general administrative regulation definition for crop of economic significance contains the following language:

> ". . . if the total expected liability under the catastrophic risk protection endorsement is equal to or less than the administrative fee required for the crop, such crop will not be considered a crop of economic significance."

In this situation, the producer would not have to obtain insurance coverage for the crop to remain eligible for certain other USDA program benefits. However, if the producer later decides to plant the crop as an alternate crop, for whatever reason, the producer **will not** have insurance on the crop and may lose USDA program benefits.

4. Issue: The following question has been raised regarding administrative fees under crop reform for a carry-over insured. Would a carry-over insured owe an administrative fee on a 1995 crop, if the crop's contract change date was prior to enactment of the Act?

Clarification: The following rules apply to a valid crop insurance contract in the 1995 crop year regardless of the contract change date. If the carry-over insured plants the crop for the 1995 crop year, the insured owes the $50 administrative fee for catastrophic or limited coverage or the $10 administrative fee for additional coverage. However, if a carry-over insured files a zero acreage report for the 1995 crop, the insured does not owe any administrative fee for that crop. Producers who had coverage in the 1994 crop year that was lower than catastrophic coverage and who increase the coverage to the catastrophic level or equivalent for the 1995 crop year, will owe the $50 administrative fee.

5. Issue: The following question has been raised regarding when to collect the administrative fee for carry-over insureds for the 1995 crop year who elected limited/additional coverage.

Clarification: The administrative fee for the 1995 crop year will be collected:

(a) At the same time the premium is collected for crops whose acreage report dates have passed and

(b) When the acreage is reported, when the acreage reporting date has not passed (i.e., spring crops).

The chart in Attachment 1 has been developed to assist in the proper collection of administrative fees.

6. Issue: The CAT endorsement subsection 1.(h) states:

> "**Crop of economic significance -** A crop that has either contributed in the previous crop year, or is expected to contribute in the current crop year, ten percent (10%) or more of the total expected value of your share of all crops in which you have an insurable share that are grown in the county. However, notwithstanding the preceding sentence, if the total expected liability under the catastrophic risk protection endorsement is equal to or less than the administrative fee required for the crop, such crop will not be considered a crop of economic significance."

Clarification: The Act does not state that a crop of economic significance must be insurable. The CAT endorsement is being amended to delete the words, ". . . in which you have an insurable share." This change will make the definition for crop of economic significance the same as the correct definition contained in 7 CFR Part 400, Subpart T, Federal Crop Insurance Reform Act of 1994; Regulations for Implementation.

7. Issue: Many questions have been raised on how to determine a crop of economic significance.

Clarification: It is primarily the insured's responsibility to determine crops of economic significance by using information that is pertinent to his/her farming operation. For example, the insured may choose to use the current local market price, the futures price, the established price, etc. for the price when determining crops of economic significance. A worksheet has been developed that insureds may use to aid them in their determination (see Attachment 2).

8. Issue: There is some confusion on how to determine annual gross income to determine if an insured qualifies as a limited resource farmer. Questions are being raised on whether to count the total income from the sale of livestock and other items regardless of whether or not the product was initially purchased for resale or raised and sold. The catastrophic risk protection endorsement subsection 1.(l) states:

> "**Limited resource farmer -** A producer or operator of a small or family farm, including a new producer or operator, with an annual gross income of less than $20,000 derived from all sources of revenue for each of the prior two years and who demonstrates a need to maximize farm income. Notwithstanding the preceding sentence, a producer on a farm of less than 25 acres aggregated for all crops, where the producer derives a majority of the producer's gross income from the farm but the producer's gross income from farming operations does not exceed $20,000, will be considered a limited resource farmer."

Clarification: The initial cost of livestock or other items bought for resale, will be deducted from the sale price of the animal or item and the remaining sum will be gross income for that animal or item. The figure in Line 11 of the Internal Revenue Service, Schedule F (form 1040) "Profit or Loss From Farming" is the gross income from farming for any applicable year.

ACTION:

The CAT endorsement and the general administrative regulations, 7 CFR Part 400, Subpart T, have been published in the Federal Register as Interim Rule. FCIC intends to amend the regulations to incorporate the revisions discussed above before the regulations become Final Rule. Effective immediately, the revisions above are to be administered in accordance with the intended changes.

Attachment 1

COLLECTION OF ADMINISTRATIVE FEES FOR
CATASTROPHIC (CAT), LIMITED AND ADDITIONAL COVERAGE

CAT Coverage is 50/60 or equivalent.
Limited Coverage is 50/100, 65/77 through 65/99
or 75/67 through 75/86.
Additional Coverage is 65/100 or 75/87 to 75/100**.**

1995 CARRY-OVER POLICIES

* CROPS WHOSE ACREAGE REPORT DATE HAS PASSED

* Coverage less than CAT, no acreage planted, or CAT/Limited coverage with bona fide zero acreage report timely filed	No fee due
* CAT/Limited Coverage	$50 at premium billing
* Additional Coverage	$10 at premium billing

* CROPS WHOSE FINAL ACREAGE REPORT DATE HAS NOT PASSED

* No Acreage Planted	No fee due
* CAT/Limited Coverage Report	$50 with acreage report
* Additional Coverage	$10 at premium billing

NEW OR CONVERTED POLICIES

*(Includes new applications for 1995 and 1994 carry-over policies changing coverage/price to maintain eligibility for certain other USDA program benefits)

* New CAT/Limited Coverage	$50 with application
* Converted CAT/Limited Coverage	$50 with premium billing
* Additional Coverage	$10 at premium billing

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* Limited Resource Waiver Granted (applicable to $50 fees only)	No fee due

* Maximum Fees Already Collected (applicable to $50 fees only) ($200 per County or $600 per Insured)	No fee due

NOTE: Reinsured Companies selling the contract are responsible for collecting the fee. Reinsured Companies will NOT collect a $50 fee for limited coverage when Cat Coverage was previously issued by CFSA. Crop insurance information assembled by the CFSA will be transferred to the Reinsured Company and the $50 fee will be retained by CFSA. (This does not apply to policies with additional coverage. In these situations the Reinsured Company is entitled to collect the $10 fee. The CFSA will transfer the insurance information and refund the $50 fee previously collected to the insured.)

Attachment 2

WORKSHEET
FOR DETERMINING CROPS OF
ECONOMIC SIGNIFICANCE

CROP	ACRES	SHARE	YIELD	PRICE	$ VALUE	PERCENT
Corn	200	100	100 bu.	$ 2.25	$ 45,000	34.2
Soybeans	200	100	40 bu.	5.50	44,000	33.4
Oats	50	100	60 bu.	1.45	4,350	3.3
Forage Pro.	50	100	3 t.	75.00	11,250	8.5
Forage Seed.	20	100	--	104.00	2,080	1.6
Green Peas	40	100	4,000 lb.	0.10	16,000	12.2
Watermelon	5	100	30,000 lb.	0.05	1,500	1.1
TOTAL	565	--	--	--	$131,680	--

Acres--Intended to plant for 1995
Yield--APH if insured for 1994, ASCS program yield if new for 1995 or producers best estimate if Non-Program Crop.
Price--Market price (if applicable) or established price or highest amount of insurance
Value--Calculated (acres times , shared times, yield times price)
Pct. --Calculated (value for crop divided by total value)

United States Department of Agriculture
Consolidated Farm Service Agency
Office of Risk Management
Washington, D.C. 20250

BULLETIN NO.: MGR-95-005.1

TO: All Reinsured Companies
CFSA Headquarters, Program Delivery and Field Operations
All Risk Management Field Offices

FROM: Kenneth D. Ackerman
Acting Deputy Administrator

SUBJECT: Revision and Clarification for Collection of Administrative Fees for the 1995 Crop Year

BACKGROUND:

This bulletin supersedes and clarifies the information in issue number 5 and attachment 1 of Bulletin No. MGR-95-005 regarding collection of administrative fees. Administrative fees are due for all levels of insurance coverage unless the applicant/insured qualifies as a "limited resource farmer." Administrative fees are a condition of eligibility for linkage to certain other Department of Agriculture (USDA) program benefits. If the entire administrative fee is not collected when due, the crop insurance contract will not be in effect for the crop year for which the fee is due and will terminate. The insured will not be eligible to receive any indemnities or certain other USDA program benefits.

ACTION:

To simplify the collection of administrative fees, the following schedule will be followed:

(A) Administrative fees for Catastrophic Risk Protection coverage are due:
  (1) At the time of application, if a new insured; or
  (2) With the acreage report, if a carry-over insured and the sales closing date is on or after January 1, 1995; or
  (3) At the premium due date if a carry-over insured and the sales closing date is before January 1, 1995.

(B) Administrative fees for limited coverage are considered earned and payable at the time insurance attaches. Payment of an administrative fee will not be required if the insured files a bona fide zero acreage report on or prior to the acreage reporting date for any year except the year of application. This fee may be collected during the normal premium billing cycle and must be separately stated on the premium billing.

(C) Administrative fees for additional coverage are considered earned and payable at the time insurance attaches and must be collected at the time the premium is paid. The administrative fee must be separately stated on the premium billing.

The catastrophic risk protection endorsement and the general administrative regulations, 7 CFR Part 400, Subpart T, have been published in the Federal Register as an interim rule and will be amended to incorporate this revision before the regulations become final rule. Effective immediately, the collection of fees are to be administered in accordance with this bulletin.

CC: FCIC COMPLIANCE OFFICES
FCIC DIRECT SERVICE OFFICES
FCIC REGIONAL SERVICE OFFICES
CFSA (ATTN: ERNESTINE CARTER RM 1406-S)
AMERICAN ASSOCIATION OF CROP INSURERS
CROP INSURANCE RESEARCH BUREAU
NATIONAL ASSOCIATION OF CROP INSURANCE AGENTS
NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS
LINDA VICKERS

CC: RECORDS NO. 1
RECORDS NO. 2
MGR
MGR/CHRON
ACT DEP MGR
MMULUGETA/ASSOC MGR
VPORTIS-MANAGER'S OFFICE
NSMITH/A&L - PLEASE ROUTE
MAMANOR/IC
DMOSLAK/R&PD
MJONES - C&PA
GWESTMORELAND/AMC--PLEASE ROUTE
ECLARK/MSD
BHART/MSD/DIRECTIVES MGMT OFFICE
AM/AMIS-PLEASE ROUTE
DAM-RSO
RRIETCHECK/FUS - PLEASE ROUTE
DIR/CS - PLEASE ROUTE
HBAKER/DSS - PLEASE ROUTE

CC: KANSAS CITY OFFICES:
TWITT/AMR&D--PLEASE ROUTE
AGILMORE/AMC-PLEASE ROUTE

United States Department of Agriculture | Consolidated Farm Service Agency | Office of Risk Management | Washington, D.C. 20250

BULLETIN NO.: MGR-95-006

TO: All Reinsured Companies
CFSA Headquarters, State, and County Offices
All Risk Management Field Offices

FROM: Kenneth D. Ackerman 2/12/95
Acting Deputy Administrator

SUBJECT: Workload Issues and Accepting Late-Filed Applications for Catastrophic Risk Protection Coverage for the 1995 Crop Year (1995 and 1996 Crop Years for Arizona, California, and Texas Citrus)

BACKGROUND:

The Federal Crop Insurance Reform Act of 1994 (Act) specified sales closing dates affecting applications for catastrophic (CAT), limited and additional insurance coverage. Due to the date of passage of the Act, the impact on program development, and the need to communicate the linkage requirements to maintain eligibility for certain Department of Agriculture (USDA) program benefits, these dates may not afford producers full opportunity to purchase insurance coverage which meets their risk management needs and thus maintain such program eligibility. Both Consolidated Farm Service Agency (CFSA) personnel and reinsured company agents and representatives are facing considerable workload problems in informing producers of the requirements under the Act and still meet sales closing date/application deadlines.

ACTION:

To facilitate the delivery of the reformed crop insurance program under the tight deadlines of this initial implementation, the following procedures are authorized for the subject crop years only to address workload issues and provide for acceptance of late filed applications:

1995 CAT coverage deadline for crops with calendar 1994 sales closing dates

The Interim Rule, General Administrative Regulations published January 6, 1995, provided that for crops with a sales closing date or an insurance attachment date prior to January 1, 1995, the sales closing date would be the latest spring sales closing date in the county. The Final Rule will provide that for crops with a sales closing or an insurance attachment date prior to January 1, 1995, the latest sales closing date for CAT coverage only for these crops will be March 15, 1995.

Use of registers

CFSA county offices and reinsured company agents may use a register to record a producer's intent to make timely CAT application. This process is intended only to address situations where large numbers of producers may come to an office to make application within the last few days before sales closing and can not be serviced in a timely manner. When county offices or agents have time, they are strongly encouraged to take a full application during the farmer's initial visit rather than use this register process.

The register must include the producer's name and signature, social security or tax identification number, a list of the crop(s) planted to date and any expected to be planted. For the register entry to be effective to signify timely application for the crop listed, the producer must pay the applicable $50 processing fee for each crop.

Late filed application procedures for CAT coverage

1. Late-filed CAT applications will be accepted:

    a. For 30 calendar days after the CAT sales closing date for non-program crops, and;

    b. Through April 28, 1995, for price support and production adjustment program crops, including tobacco, rice, extra long staple cotton, upland cotton, feed grains, wheat, peanuts, oilseeds, and sugar.

2. The producer must certify the request for a late-filed application is only for the purpose of meeting the linkage requirements of the Act.

3. The producer must certify that the crop has not been planted or the crop has been planted and is in good condition (capable of producing at least 90 percent of the APH yield for the crop on the unit).

4. The producer must pay the $50 dollar administrative processing fee, if applicable.

5. Preacceptance crop inspections are not necessary for late-filed applications for CAT coverage. However, late-filed applications accepted under these guidelines will be subject to random spot checks made by the local CFSA or reinsured company. A minimum of 5 percent of the late-filed policies by crop and State, will be spot checked. If growing conditions in the area are favorable, this percentage may be reduced. If the late-filed application is taken before the normal planting period for the crop, such policy would not be subject to spot check to determine the condition of the crop.

6. Insurance will attach 10 days after the application is signed by the producer and agent, unless the crop will not qualify under item 3.

7. If the insurance risk becomes excessive, FCIC will announce that the acceptance of late-filed applications is discontinued.

Standard Reinsurance Agreement - Assigned Risk Designations

For assigned risk purposes, reinsured companies must designate such policies within 90 days after the CAT sales closing date, except for program crops. Such date shall be within 60 days after April 28, 1995 for program and other price supported crops. The Data Acceptance System Handbook, Manual 13, will provide instructions for submitting data for CAT applications accepted under this bulletin.

United States Department of Agriculture | Consolidated Farm Service Agency | Office of Risk Management | Washington, DC 20250

BULLETIN NO.: MGR-95-007

TO: All Reinsured Companies
CFSA Headquarters, Program Delivery and Field Operations
All Risk Management Field Offices

FROM: Kenneth D. Ackerman
Acting Deputy Administrator

SUBJECT: 1995 Crop Year Acreage and Production Reporting Dates for Limited, Additional, and Catastrophic Risk Protection Coverage for 1995 Crop Year (1995 and 1996 Crop Years - Arizona, California, and Texas Citrus)

BACKGROUND:

The Federal Crop Insurance Reform Act of 1994 (Act) required the Federal Crop Insurance Corporation (FCIC) to establish sales closing dates for all spring planted crops for the 1995 crop year 30 days earlier than those established for the 1994 crop year. This change caused the Actual Production History (APH) production reporting date also to be 30 days earlier than in previous crop years which may make orderly production reporting more difficult considering the volume of new business under crop insurance reform. Corresponding dates for filing acreage reports and dates by which the previous year's acreage and production must be reported to determine the APH yield (herein referred to as the APH production reporting date) were not established based on the new sales closing dates.

Crop insurance reform also links the crop insurance program more closely to other USDA programs which provide benefits to producers. As practical and within legal constraints, dates have been coordinated which have common purposes for the 1995 crop year. Guidelines for these adjustments are listed below. Actuarial documents will not be refiled to include these changes.

ACTION:

For the 1995 crop year (1995 and 1996 crop years for Arizona, California, and Texas citrus):

Production Reporting Dates:

- For all Category C crops (CAT, limited, and additional coverages) and fall planted crops (CAT coverage only) which have a published sales closing date prior to January 1, 1995, the APH production reporting date will be April 28, 1995.

- For all spring crops eligible for CAT, limited, and additional plans of coverage, the APH production reporting date is the earlier of the 1995 acreage reporting date specified on Attachment 2 or May 31, 1995.

Acreage Reporting Dates:

- For all fall planted crops (CAT coverage only), and all spring crops and Category C crops (for CAT, limited, and additional coverages), the acreage reporting dates are shown on Attachments 1 and 2.

Attachment 1

GENERAL RULES TO ACHIEVE CONSISTENT ACREAGE REPORTING DATES

1. **MEASURED ACREAGE:** For crop year (CY) 1995 CAT policies, if measurement service is performed by the CFSA county office, acreage reports shall be adjusted based on measured acres to increase or decrease a producer's reported acreage. The producer must certify planted acreage no later than the acreage reporting date for the crop and county and request measurement service. Acreage adjustment shall be allowed even when the acreage reporting date has passed.

2. **FALL CROPS:** For CY 1995 CAT, limited, and additional coverage Category C crop policies and CAT policies for fall planted crops with a published sales closing date prior to January 1, 1995, the final date to report planted acreage and actual production history (acreage and production reports) in all states shall be April 28, 1995.

3. **SPRING PROGRAM CROPS:** For all CY 1995 policies, the acreage reporting date for spring program crops, with the exceptions noted below, shall generally be the latest FCIC acreage reporting date for spring program crops in the state (June 15, June 30, July 15, or July 31), but in some cases may vary by county.

4. **SPRING CROPS OTHER THAN PROGRAM CROPS:** For all CY 1995 policies, the acreage reporting date for spring crops other than program crops shall be the later of April 28, 1995, or the acreage reporting date on file in the actuarial table for the crop and county .

5. **EXCEPTION FOR ALASKA:** For all CY 1995 policies, the acreage reporting dates for spring planted crops in Alaska shall be June 15, 1995.

6. **EXCEPTION FOR CALIFORNIA AND TEXAS:** For all CY 1995 policies, acreage reporting dates in California and Texas shall be as listed on the attached table which has been developed by the FCIC Regional Service Directors and the State Executive Directors for those states to determine common dates to the greatest extent practical.

7. **EXCEPTION FOR OATS, CORN, AND BARLEY:** For all CY 1995 policies, where the acreage reporting date on file in the actuarial table for spring planted oats, barley, or corn is 6 or more weeks earlier than the latest FCIC acreage reporting date for program crops in the county, the acreage reporting date shall be the FCIC date on file for that crop, except that oats in Oklahoma and spring planted barley in New Mexico shall be April 28, 1994.

8. **MULTIPLE SPRING CROPS:** For all CY 1995 policies, producers who insure multiple spring crops shall be allowed to report their acreage until the latest acreage reporting date for those crops.

Attachment 2

CROP YEAR 1995 ACREAGE REPORTING DATES FOR CROP INSURANCE* and PRICE SUPPORT AND PRODUCTION ADJUSTMENT PROGRAM BENEFITS

STATE	CROP	FCIC DATE	ASCS DATE	CY 1995 NEW DATE
Alabama	Corn	6/15	7/15	6/30
	Cotton	6/15	7/15	6/30
	Fresh Market Sweet Corn	4/15		4/28
	Grain Sorghum	6/15	7/15	6/30
	Oats	12/15/94	5/1	4/28
	Peaches	1/10		4/28
	Peanuts	6/15	7/15	6/30
	Potatoes	3/15		4/28
		4/30		4/30
	Soybeans	6/30	7/15	6/30
	Tobacco	6/15	6/1	6/30
	Wheat	12/15/94	5/1	4/28
Alaska	Barley	5/31	8/1	6/15
	Oats	5/31	8/1	6/15
	Potatoes	6/15		6/15
	Wheat	3/31	8/1	4/28
		5/31	8/1	6/15
Arizona	Apples	12/15/94		4/28
	Barley	3/15	5/15	4/28
	Citrus	1/10		4/28
	Corn	6/15	7/15	6/15
	Cotton	5/31	7/15	6/15
	Cotton Extra Long Staple	5/31	7/15	6/15
	Potatoes	3/15		4/28
	Table Grapes	2/15		4/28
	Wheat	3/15	5/15	4/28
Arkansas	Corn	6/15	7/15	6/30
	Cotton	6/15	7/15	6/30
	Grain Sorghum	6/15	7/15	6/30
	Grapes	1/15	7/15	4/28
	Oats	12/15/94	5/15	4/28
	Peaches	1/10	7/15	4/28
	Peanuts	6/15	7/15	6/30
	Rice	6/15	7/15	6/30
	Soybeans	6/30	7/15	6/30
	Wheat	12/15/94	5/15	4/28

***SEE ATTACHMENT 1 FOR GENERAL RULES**

STATE	CROP	FCIC DATE	ASCS DATE	CY 1995 NEW DATE
California	Almonds	1/15		4/28
	Apples	12/15/94		4/28
	Barley	3/15	4/15	4/28
		6/15	5/15	7/15
			6/15	7/15
	Citrus	1/10		4/28
	Corn	7/15	7/15	7/15
	Cotton	5/31	7/15	7/15
	Cotton Extra Long Staple	5/31	7/15	7/15
	Dry Beans	7/15		7/15
	Figs	3/1		4/28
	Forage Production	12/15/94		4/28
		3/31		4/28
	Fresh Market Tomatoes	4/30		4/28
		5/31		7/15
		6/15		7/15
		7/31		7/31
	Fresh Plum	1/31		4/28
	Grain Sorghum	7/15	7/15	7/15
	Grapes	3/15		4/28
	Nursery	10/31		4/28
	Oats	3/15	4/15	4/28
		6/15	5/15	7/15
			6/15	7/15
	Pears	12/15/94		4/28
	Potatoes	3/15		4/28
		5/30		5/30
		6/15		7/15
		6/30		7/15
		8/15		8/15
		8/31		8/31
		1/15/96		1/15/96
	Prunes	3/1		4/28
	Raisins	3/1/96		4/28/96
	Rice	6/15		7/15
	Safflower	3/15		4/28
		4/30		4/28
	Stonefruit	1/31		4/28
	Sugar Beets	10/31/94		4/28
		5/31		7/15
		6/15		7/15
		7/31		7/31
	Table Grapes	2/15		4/28
	Tomatoes	3/15		4/28
		5/15		7/15
		5/31		7/15
		6/15		7/15
		3/1		4/28
	Walnuts	11/15/94	4/15	4/28
	Wheat	3/15	5/15	4/28
		6/15	6/15	7/15

STATE	CROP	FCIC DATE	ASCS DATE	CY 1995 NEW DATE
Colorado	Apples	1/15		4/28
	Barley	10/31/94		4/28
		5/31	6/1	5/31
		6/30	6/15	7/15
			8/1	7/15
	Corn	7/15	7/15	7/15
	Dry Beans	7/15		7/15
	Forage Production	12/15/94		4/28
	Grain Sorghum	7/15	7/15	7/15
	Oats	5/31		5/31
		6/30		7/15
	Onions	5/31		5/31
	Peaches	1/10		4/28
	Popcorn	6/30		6/30
	Potatoes	7/15		7/15
	Sugar Beets	5/31		5/31
	Sunflowers	7/15		7/15
	Wheat	10/31/94	6/1	4/28
		11/15/94	6/15	4/28
		5/31	8/1	7/15
		6/30		7/15
Connecticut	Apples	1/15		4/28
	Corn	6/30		7/15
		7/15	7/15	7/15
	Potatoes	6/30		6/30
	Tobacco	715		7/15
Delaware	Barley	11/15/94	6/1	4/28
	Canning Beans	7/15		7/15
		8/15		8/15
	Corn	7/15	7/15	7/15
	Grain Sorghum	7/15	7/15	7/15
	Green Peas	5/15		5/15
	Potatoes	5/15		5/15
	Soybeans	7/15	7/15	7/15
	Sweet Corn	7/15		7/15
	Tomatoes	7/15		7/15
	Wheat	11/30/94	6/1	4/28

STATE	CROP	FCIC DATE	ASCS DATE	CY 1995 NEW DATE
Florida	Citrus	4/30		4/30
	Corn	6/15	6/15	6/30
	Cotton	6/15	6/15	6/30
	Fresh Market Sweet Corn	9/15/94		4/28
		10/31/94		4/28
		1/31		4/28
		3/31		4/28
		4/15		4/28
		4/30		4/30
		5/15		5/15
Florida (Con'd)	Fresh Market Tomatoes	9/15		4/28
		10/15/94		4/28
		10/31/94		4/28
		12/31/94		4/28
		2/15		4/28
		3/15		4/28
		4/30		4/30
	Grain Sorghum	6/15	6/15	6/30
	Nursery	10/31/94		4/28
	Oats	12/31/94	4/15	4/28
	Peaches	1/10		4/28
	Peanuts	6/15		6/30
	Peppers	9/15/94		4/28
		10/15/94		4/28
		10/31/94		4/28
		12/31/94		4/28
		2/15		4/28
		3/15		4/28
	Potatoes	10/31/94		4/28
		1/31		4/28
		2/15		4/28
		3/15		4/28
	Rice	6/15		6/30
	Soybeans	6/30	6/15	6/30
	Sugarcane	5/31		5/31
	Tobacco	6/15		6/30
	Wheat	12/31/94	4/15	4/28

Georgia	Apples Barley Corn Cotton Fresh Market Tomatoes Grain Sorghum Oats Peaches Peanuts Soybeans Tobacco Wheat	1/10 12/31/94 6/15 6/15 4/30 6/15 12/31/94 1/10 6/15 6/30 6/15 12/31/94		4/28 4/28 6/30 6/30 4/30 6/30 4/28 4/28 6/30 6/30 6/30 4/28
Hawaii	Macadamia Nuts Macadamia Trees	1/1 1/1		4/28 4/28

STATE	CROP	FCIC DATE	ASCS DATE	CY 1995 NEW DATE
Idaho	Apples	1/15	7/1	4/28
	Barley	6/15	7/1	6/15
	Canning Beans	6/15		6/15
		7/15		7/15
	Canola	6/15		6/15
	Corn	6/15	7/1	6/15
	Dry Beans	6/15		6/15
		6/30		6/30
	Dry Peas	6/15		6/15
	Forage Production	3/31		4/28
	Grapes	1/15		4/28
	Green Peas	6/15		6/15
	Oats	6/15	7/1	6/15
	Onions	5/1		5/1
	Potatoes	6/15		6/15
	Safflower	6/15		6/15
	Sugar Beets	6/15		6/15
	Sweet Corn	6/30		6/30
	Wheat	12/15/94	7/1	4/28
		6/15	7/1	6/15
Illinois	Apples	1/15		4/28
	Barley	11/15/94	6/1	4/28
	Canning Beans	6/30		6/30
	Corn	6/30	6/30	6/30
	Grain Sorghum	6/30	6/30	6/30
	Green Peas	6/30		6/30
	Hybrid Corn Seed	6/30		6/30
	Oats	5/15	6/1	6/30
			6/30	6/30
	Popcorn	6/30		6/30
	Soybeans	6/30	7/15	6/30
	Sweet Corn	7/15		7/15
	Tomatoes	6/30		6/30
	Wheat	11/15/94	6/20	4/28
			7/15	4/28

STATE	CROP	FCIC DATE	ASCS DATE	CY 1995 NEW DATE
Indiana	Apples	1/15		4/28
	Barley	11/15/94	6/1	4/28
	Canning Beans	6/30		6/30
	Corn	6/30	6/20	7/15
	Grain Sorghum	6/30	6/20	7/15
	Hybrid Corn Seed	6/30		6/30
	Oats	4/30	6/1	4/30
			6/20	4/30
			7/15	4/30
	Popcorn	6/30		6/30
	Potatoes	6/30		6/30
	Soybeans	6/30	7/15	7/15
	Tobacco	7/15		7/15
	Tomatoes	6/30		6/30
	Wheat	11/15/94	6/20	4/28
			7/15	4/28
Iowa	Barley	5/31	6/30	6/30
	Canning Beans	7/31		7/31
	Corn	6/30	6/30	6/30
	Dry Beans	6/30		6/30
	Forage Production	12/15/94		4/28
	Forage Seeding	5/31		5/31
	Grain Sorghum	6/30	6/30	6/30
	Green Peas	6/15		6/15
	Hybrid Corn Seed	6/30		6/30
	Oats	5/31	6/30	6/30
	Popcorn	6/30		6/30
	Potatoes	6/30		6/30
	Soybeans	6/30	6/30	6/30
	Sweet Corn	6/30		6/30
	Wheat	11/15/94	6/30	4/28
		5/31	6/30	6/30
Kansas	Barley	10/31/94	6/1	4/28
		11/30/94		4/28
		5/31		5/31
	Corn	7/15	8/1	7/15
	Cotton	7/15	8/1	7/15
	Dry Beans	7/15		7/15
	Grain Sorghum	7/15	8/1	7/15
	Oats	4/30	6/1	4/30
	Soybeans	7/15	8/1	7/15
	Sunflowers	7/15		7/15
	Wheat	10/31/94	6/1	4/28
		11/30/94	6/1	4/28

Kentucky	Barley	11/30/94	5/15	4/28
	Corn	6/15	7/15	7/15
	Grain Sorghum	6/15	7/15	7/15
	Hybrid Corn Seed	6/30		6/30
	Peaches	1/10		4/28
	Popcorn	6/15		6/15
	Soybeans	6/30	7/15	7/15
	Tobacco	7/15		7/15
	Wheat	11/30/94	5/15	4/28
Louisiana	Corn	6/15	7/1	6/30
	Cotton	6/15	7/1	6/30
	Grain Sorghum	6/15	7/1	6/30
	Oats	12/15/94	4/15	4/28
	Peaches	1/10		4/28
	Peanuts	6/15		6/30
	Rice	6/15		6/30
	Soybeans	6/30	7/1	6/30
	Sugarcane	5/31		5/31
	Wheat	12/15/94	4/15	4/28

STATE	CROP	FCIC DATE	ASCS DATE	CY 1995 NEW DATE
Maine	Apples	1/15		4/28
	Barley	6/30	8/1	6/30
	Corn	6/30	8/1	6/30
	Green Peas	7/15		7/15
	Oats	6/30	8/1	6/30
	Potatoes	6/30		6/30
	Wheat	6/30	8/1	6/30
Maryland	Apples	1/15		4/28
	Barley	11/15/94	6/1	4/28
	Canning Beans	7/15		7/15
		8/15		8/15
	Corn	7/15	7/15	7/15
	Fresh Market Tomatoes	6/30		6/30
	Grain Sorghum	7/15	7/15	7/15
	Green Peas	5/15		5/15
	Oats	5/31	6/1	5/31
			6/15	5/31
	Peaches	1/10		4/28
	Potatoes	5/15		5/15
	Soybeans	7/15		7/15
	Sweet Corn	7/15		7/15
	Tobacco	7/15		7/15
	Tomatoes	7/15		7/15
	Wheat	11/15/94	6/1	4/28
Massachusetts	Apples	1/15		4/28
	Corn	7/15	7/15	7/15
	Cranberries	1/15		4/28
	Potatoes	6/30		6/30
	Tobacco	7/15		7/15

Michigan	Apples	1/15		4//28
	Barley	6/30	7/1	6/30
	Blueberries	1/10		4/28
	Canning Beans	6/30		6/30
	Corn	6/30	7/1	6/30
	Dry Beans	7/15		7/15
	Grain Sorghum	6/30	7/1	6/30
	Grapes	1/15		4/28
	Green Peas	6/30		6/30
	Hybrid Corn Seed	6/30		6/30
	Oats	6/30	7/15	6/30
	Onions	6/30		6/30
	Peaches	1/10		4/28
	Popcorn	6/30		6/30
	Potatoes	6/30		6/30
	Soybeans	6/30	7/15	6/30
	Sugar Beets	6/30		6/30
	Tomatoes	6/30		6/30
	Wheat	11/15/94	7/1	4/28

STATE	CROP	FCIC DATE	ASCS DATE	CY 1995 NEW DATE
Minnesota	Barley	6/30	7/15	6/30
	Canning Beans	7/31		7/31
	Canola			6/30
	Corn	6/30	7/15	6/30
	Dry Beans	6/30		6/30
	Flax	6/30		6/30
	Forage Production	12/15/94		4/28
	Forage Seeding	6/30		6/30
	Grain Sorghum	6/30	7/15	6/30
	Green Peas	6/15		6/15
	Hybrid Corn Seed	6/30		6/30
	Oats	6/30	7/15	6/30
	Popcorn	6/30		6/30
	Potatoes	6/30		6/30
	Soybeans	6/30	7/15	6/30
	Sugar Beets	6/30		6/30
	Sunflowers	6/30		6/30
	Sweet Corn	6/30		6/30
	Wheat	6/30	7/15	6/30
Mississippi	Blueberries	12/15/94		4/28
	Corn	6/15	6/15	6/30
	Cotton	6/15	6/15	6/30
	Grain Sorghum	6/15	6/15	6/30
	Grapes	1/15		4/28
	Oats	12/15/94	5/1	4/28
	Peaches	1/10		4/28
	Peanuts	6/15	6/15	6/30
	Rice	6/15		6/30
	Soybeans	6/30	7/15	6/30
			8/1	6/30
	Wheat	12/15/94	5/1	4/28
Missouri	Apples	1/15		4/28
	Barley	11/30/94	5/15	4/28
			6/1	4/28
	Corn	6/30	7/1	6/30
	Cotton	6/30	7/1	6/30
	Grain Sorghum	6/30	7/1	6/30
	Grapes	1/15		4/28
	Hybrid Corn Seed	6/30		6/30
	Oats	4/30	5/15	4/30
			6/1	4/30
	Peaches	1/10		4/28
	Popcorn	6/30		6/30
	Potatoes	4/15		4/28
	Rice	6/30		6/30
	Soybeans	6/30	7/1	6/30
	Tobacco	6/30		6/30
	Wheat	11/30/94	5/15	4/28
			6/1	4/28

STATE	CROP	FCIC DATE	ASCS DATE	CY 1995 NEW DATE
Montana	Barley	6/30	7/15	6/30
	Canola	6/30		6/30
	Corn	6/30	7/15	6/30
	Dry Beans	6/30		6/30
	Forage Production	12/15/94		4/28
	Forage Seeding	6/30		6/30
	Oats	6/30	7/15	6/30
	Potatoes	6/30		6/30
	Safflower	6/30		6/30
	Sugar Beets	6/30		6/30
	Wheat	11/15/94	7/15	4/28
		6/30	7/15	6/30
Nebraska	Barley	5/31	6/15	6/30
		6/30	6/25	6/30
	Corn	6/30	7/15	6/30
	Dry Beans	6/30		6/30
	Grain Sorghum	6/30	7/15	6/30
	Hybrid Corn Seed	5/31		6/30
	Oats		6/15	6/30
		6/30	6/25	6/30
	Popcorn	6/30		6/30
	Potatoes	11/15/94		6/30
	Rye	6/30		4/28
	Soybeans	5/31	7/15	6/30
	Sugar Beets	6/30		5/31
	Sunflowers	10/31/94		6/30
	Wheat	11/15/94	6/15	4/28
			6/25	4/28
Nevada	Barley	6/15	7/15	6/15
	Forage Production	3/31		4/28
	Oats	6/15	7/15	6/15
	Potatoes	6/15		6/15
	Wheat	11/15/94	4/15	4/28
		12/15/94	4/15	4/28
		6/15	7/15	6/15
New Hampshire	Apples	1/15		4/28
	Corn	6/30	7/15	6/30
	Forage Production	12/15/94		4/28
	Forage Seeding	9/15/94		4/28
		6/15		6/15

STATE	CROP	FCIC DATE	ASCS DATE	CY 1995 NEW DATE
New Jersey	Apples	1/15		4/28
	Barley	11/15/94	6/1	4/28
	Blueberries	1/15		4/28
	Canning Beans	8/15		8/15
	Corn	7/15	7/15	7/15
	Cranberries	1/15		4/28
	Oats	5/31	6/1	5/31
	Peaches	1/10		4/28
	Potatoes	6/15		6/15
	Soybeans	7/15	7/15	7/15
	Tomatoes	7/15		7/15
	Wheat	11/15/94	6/1	4/28
New Mexico	Apples	1/15		4/28
	Barley	11/30/94	5/15	4/28
		3/31	7/15	4/28
	Corn	6/15	7/15	7/15
		6/30		7/15
	Cotton	5/31	7/15	7/15
		6/15		7/15
	Cotton Extra Long Staple	5/31	7/15	7/15
	Dry Beans	7/31		7/31
	Grain Sorghum	6/30	7/15	7/15
		7/15		7/15
	Hybrid Sorghum Seed	6/30		6/30
	Peanuts	6/30	7/15	7/15
	Potatoes	5/31		5/31
	Sugar Beets	5/31		5/31
	Wheat	11/30/94	5/15	4/28
		3/31	7/15	4/28

New York	Apples	1/15		4/28
	Barley	11/15/94	7/1	4/28
		6/15		7/15
	Canning Beans	7/31		7/31
	Corn	6/30	7/1	7/15
	Dry Beans	6/30		6/30
	Forage Production	12/15/94		4/28
	Forage Seeding	9/15/94		4/28
		6/15		6/15
	Grain Sorghum	7/15		7/15
	Grapes	1/15		4/28
	Green Peas	6/30		6/30
	Hybrid Corn Seed	6/30		6/30
	Oats	6/15	7/1	7/15
	Onions	5/31		5/31
	Peaches	1/10		4/28
	Potatoes	6/30		6/30
	Soybeans	6/30	7/1	7/15
	Sweet Corn	6/30		6/30
	Tomatoes	7/15		7/15
	Wheat	11/15/94	7/1	4/28

STATE	CROP	FCIC DATE	ASCS DATE	CY 1995 NEW DATE
North Carolina	Apples	1/10		4/28
	Barley	11/15/94	5/15	4/28
	Blueberries	1/10		4/28
	Corn	6/30	7/1	7/15
	Cotton	6/30	7/1	7/15
	Grain Sorghum	7/15	7/1	7/15
	Oats	11/15/94	5/15	4/28
	Peaches	1/10		4/28
	Peanuts	6/30		7/15
	Potatoes	4/30		4/30
	Soybeans	6/30	7/1	7/15
	Tobacco	6/30		7/15
		7/15		7/15
	Wheat	11/15/94	5/15	4/28
		11/30/94	5/15	4/28
		12/15/94	5/15	4/28
North Dakota	Barley	6/30	7/15	6/30
	Canola	6/30		6/30
	Corn	6/30	7/15	6/30
	Dry Beans	6/30		6/30
	Flax	6/30		6/30
	Forage Production	12/15/94		4/28
	Forage Seeding	6/30		6/30
	Grain Sorghum	6/30	7/15	6/30
	Oats	6/30	7/15	6/30
	Potatoes	6/30		6/30
	Rye	10/31/94	7/15	4/28
	Safflower	6/30		6/30
	Soybeans	6/30	7/15	6/30
	Sugar Beets	6/30		6/30
	Sunflowers	6/30		6/30
	Wheat	6/30	7/15	6/30
Ohio	Apples	1/15		4/28
	Barley	11/15/94	6/20	4/28
	Corn	6/30	6/20	7/15
	Dry Beans	6/30		6/30
	Grain Sorghum	6/30	6/20	7/15
	Grapes	1/15		4/28
	Hybrid Corn Seed	6/30		6/30
	Oats	5/15	6/20	5/15
	Popcorn	6/30		6/30
	Potatoes	6/30		6/30
	Soybeans	6/30	6/20	7/15
	Sugar Beets	6/30		6/30
	Tobacco	7/15		7/15
	Wheat	11/15/94	6/20	4/28

STATE	CROP	FCIC DATE	ASCS DATE	CY 1995 NEW DATE
Oklahoma	Barley	11/30/94	5/15	4/28
		12/15/94	6/1	4/28
	Corn	5/31	8/1	5/31
	Cotton	7/15	8/1	7/15
	Grain Sorghum	7/15	8/1	7/15
	Oats	3/31	5/15	4/28
			6/1	4/28
	Peaches	1/10		4/28
	Peanuts	5/31	8/1	7/15
		6/15	8/1	7/15
		6/30	8/1	7/15
		7/15	8/1	7/15
	Potatoes	3/31		4/28
	Rice	6/15		7/15
	Soybeans	7/15	8/1	7/15
	Wheat	11/30/94	5/15	4/28
		12/15/94	6/1	4/28
Oregon	Apples	1/15		4/28
	Barley	6/15	7/1	6/15
			7/15	6/15
	Canning Beans	6/15		6/15
		7/15		7/15
	Corn	6/15	7/1	6/15
			7/15	6/15
	Cranberries	1/15		4/28
	Dry Beans	6/30		6/30
	Dry Peas	6/15		6/15
	Forage Production	3/31		4/28
	Grapes	1/15		4/28
	Green Peas	6/15		6/15
	Oats	6/15	7/1	6/15
			7/15	6/15
	Onions	5/1		5/1
	Pears	1/15		4/28
	Potatoes	6/15		6/15
	Sugar Beets	6/15		6/15
	Sweet Corn	6/30		6/30
	Wheat	12/15/94	7/1	4/28
		6/15	7/15	4/28
Pennsylvania	Apples	1/15		4/28
	Barley	11/15/94	6/15	4/28
			7/15	4/28
	Canning Beans	7/15		7/15
	Corn	7/15	7/15	7/15
	Forage Production	12/15/94		4/28
	Forage Seeding	9/15/94		4/28
		6/15		6/15
	Fresh Market Tomatoes	7/15		7/15
	Grain Sorghum	7/15	7/15	7/15

STATE	CROP	FCIC DATE	ASCS DATE	CY 1995 NEW DATE
Pennsylvania (Con'd)	Grapes	1/15		4/28
	Green Peas	6/30		6/30
	Oats	5/31	7/15	5/31
	Peaches	1/10		4/28
	Potatoes	7/15		7/15
	Soybeans	7/15	7/15	7/15
	Sweet Corn	7/15		7/15
	Tobacco	7/15		7/15
	Tomatoes	7/15		7/15
	Wheat	11/15/94	6/15	4/28
			7/15	4/28
Rhode Island	Apples	1/15		4/28
	Corn	6/30	7/15	7/15
		7/15		7/15
	Cranberries	1/15		4/28
	Potatoes	6/30		6/30
South Carolina	Apples	1/10		4/28
	Barley	12/31/94	5/1	4/28
	Corn	6/15		6/30
	Cotton	6/15		6/30
	Fresh Market Tomatoes	4/30		4/30
	Grain Sorghum	6/15		6/30
	Oats	12/31/94	5/1	4/28
	Peaches	1/10		4/28
	Peanuts	6/15		6/30
	Rye	12/31/94		4/28
	Soybeans	6/30	7/15	6/30
	Tobacco	6/15		6/30
	Wheat	12/31/94	5/1	4/28
South Dakota	Barley	5/31	7/1	6/30
	Corn	6/30	7/1	6/30
	Dry Beans	6/30		6/30
	Flax	6/30		6/30
	Grain Sorghum	6/30	7/1	6/30
	Hybrid Corn Seed	6/30		6/30
	Oats	5/31	7/1	6/30
	Popcorn	6/30		6/30
	Potatoes	6/30		6/30
	Rye	10/31/94		4/28
	Safflower	6/30		6/30
	Soybeans	6/30	7/1	6/30
	Sunflowers	6/30		6/30
	Wheat	10/31/94	7/1	4/28
		5/31	7/1	6/30

STATE	CROP	FCIC DATE	ASCS DATE	CY 1995 NEW DATE
Tennessee	Apples	1/10		4/28
	Barley	11/30/94	5/15	4/28
	Canning Beans	8/15		8/15
	Corn	6/15	8/1	7/15
	Cotton	6/15	8/1	7/15
	Grain Sorghum	6/15	8/1	7/15
	Oats	12/15/94	5/15	4/28
	Peaches	1/10		4/28
	Rice	6/15		7/15
	Soybeans	6/30	8/1	7/15
	Tobacco	7/15	7/1	7/15
	Wheat	11/30/94	5/15	4/28
Texas **1**. Fall crops - 4/28. **2.** Spring crops - where noted, refer to map on next page. **3.** North/South line shall be at the following counties: Val Verde, Edwards, Kerr, Gillespie, Blancho, Hays, Caldwell, Bastrop, Lee, Burleson, Brazos, Madison, Trinity, Polk, Tyler, Jasper, & Newton. **4.** Summer seeded crops for all counties - 9/15. **5.** See exceptions listed.	Barley	11/30/94	4/15	4/28
		12/15/94	5/15	4/28
		12/31/94		4/28
		3/31	4/15 - 7/15	See map
	Citrus	11/30/94		4/28
	Citrus Trees	6/30		6/30
	Corn	4/15 - 5/31	5/15 - 7/15	See map
	Cotton	4/15 - 6/30		See map
	Cotton Extra Long Staple	4/30 - 5/15		See map
	Dry Beans	7/15		7/15
	Grain Sorghum	4/15 - 7/15	5/15 - 7/15	See map & exceptions
	Grapes	1/15		4/28
	Hybrid Sorghum Seed	6/15		6/15
	Nursery	10/31/94		4/28
	Oats	12/31/94	4/15 & 5/15	4/28
		2/15	4/15-7/15	See map
		3/31	4/15-7/15	See map
	Peaches	1/10		4/28
	Peanuts	5/31 - 7/15		See map & exceptions
	Popcorn	6/30		6/30
	Potatoes	2/28 - 5/30		See map
	Rice	6/15		See map
	Soybeans	6/30 - 7/15		See map & exceptions
	Sugar Beets	5/31		See map
	Sugarcane	5/31		5/31
	Sunflowers	6/30		6/30
	Wheat	11/30/94	4/15 & 5/15	4/28
		12/15/94	4/15 & 5/15	4/28
		12/31/94	4/15 & 515	4/28
		1/31 & 2/15	4/15 - 7/ 15	See map

Exceptions:

Peanuts: A/R Date is 7/31 in Atascosa, Austin, Bastrop, Bexar, Colorado, Dewitt, Duval, Fayette, Frio, Gonzales, Guadalupe, Harris, LaSalle, Lee, Medina, Milam, Waller, & Wilson Counties. A/R Date is 9/15 in Hidalgo County.

Soybeans: A/R Date is 7/15 in Austin, Bee, Brazoria, Calhoun, Chambers, Colorado, Fort Bend, Galveston, Grimes, Hardin, Harris, Jackson, Jefferson, Liberty, Matagorda, Orange, Polk, San Jacinto, Waller, and Wharton Counties.
A/R Date is 9/15 in Cameron County.

Grain Sorghum: <u>A/R Date is 7/15</u> in Bandera and Kerr Counties.

STATE	CROP	FCIC DATE	ASCS DATE	CY 1995 NEW DATE
Utah	Apples	1/15		4/28
	Barley	6/15	6/1	6/15
			7/1	6/15
			7/15	6/15
	Canning Beans	7/15		7/15
		8/15		8/15
	Corn	6/15	6/1	6/15
			7/1	6/15
			7/15	6/15
	Dry Beans	6/30		6/30
	Forage Production	3/31		4/28
	Oats	6/15	6/1	6/15
			7/1	6/15
			7/15	6/15
	Onions	5/1		5/1
	Potatoes	6/15		6/15
	Safflower	6/15		6/15
	Wheat	3/1	6/1	4/28
		6/15	7/1	6/15
			7/15	6/15
Vermont	Apples	1/15		4/28
	Barley	6/30	7/15	6/30
	Corn	6/30	7/15	6/30
	Forage Seeding	9/15	7/15	4/28
		6/15	7/15	6/15
	Wheat	6/30	7/15	6/30
Virginia	Apples	1/10		4/28
	Barley	11/15/94	6/1	4/28
			7/15	4/28
	Corn	6/30	7/1	7/15
	Cotton	6/30	7/1	7/15
	Fresh Market Tomatoes	5/30		5/30
	Grain Sorghum	7/15	7/1	7/15
	Oats	11/15/94	6/1	4/28
		5/31	7/15	5/31
	Peaches	1/10		4/28
	Peanuts	6/30		7/15
	Potatoes	4/30		4/30
	Soybeans	6/30	7/1	7/15
	Tobacco	7/15		7/15
	Tomatoes	7/15		7/15
	Wheat	11/15/94	6/1	4/28
		11/30/94	7/15	4/28
		12/15/94		4/28

STATE	CROP	FCIC DATE	ASCS DATE	CY 1995 NEW DATE
Washington	Apples	1/15		4/28
	Barley	6/15	6/30	6/15
	Canning Beans	7/15		7/15
	Canola	6/15		6/15
	Corn	6/15	6/15	6/15
	Cranberries	1/15	6/30	4/28
	Dry Beans	6/15		6/15
		6/30		6/30
	Dry Peas	6/15		6/15
	Forage Production	3/31		4/28
	Grapes	1/15		4/28
	Green Peas	6/15		6/15
		6/30		6/30
	Oats	6/15		6/15
	Onions	5/1	6/30	5/1
	Pears	1/15		4/28
	Potatoes	6/15		6/15
	Sugar Beets	6/15		6/15
	Sweet Corn	6/15		6/15
		6/30		6/30
	Wheat	12/15/94	6/30	4/28
		6/15	6/30	6/15
West Virginia	Apples	1/10		4/28
	Barley	11/15/94	6/1	4/28
	Corn	6/15	7/15	7/15
		6/30	7/15	7/15
	Oats	5/31	6/1	5/31
	Peaches	1/10		4/28
	Soybeans	6/30	7/15	7/15
		7/15	7/15	7/15
	Tobacco	7/15		7/15
	Wheat	11/15/94	6/1	4/28

STATE	CROP	FCIC DATE	ASCS DATE	CY 1995 NEW DATE
Wisconsin	Apples	1/15		4/28
	Barley	6/30	7/15	7/31
	Canning Beans	7/15		7/15
		7/31		7/31
	Corn	6/30	7/15	7/31
	Cranberries	1/15		4/28
	Dry Beans	6/30		6/30
	Forage Production	12/15		4/28
	Forage Seeding	6/30		6/30
	Grain Sorghum	6/30	7/15	7/31
	Green Peas	6/15		6/15
	Hybrid Corn Seed	6/30		6/30
	Oats	6/30	7/15	7/31
	Potatoes	6/30		6/30
	Soybeans	6/30	7/15	7/31
	Sweet Corn	6/30		6/30
	Tobacco	7/31		7/31
	Wheat	10/31/94	7/15	4/28
		6/30	7/15	7/31
STATE	**CROP**	**FCIC DATE**	**ASCS DATE**	**CY 1995 NEW DATE**
Wyoming	Barley	5/31	7/1	6/30
		6/30	7/1	6/30
	Corn	6/30	7/15	6/30
	Dry Beans	6/30		6/30
	Forage Production	12/15/94		4/28
	Forage Seeding	6/30		6/30
	Oats	6/30	7/1	6/30
	Potatoes	6/30		6/30
	Sugar Beets	6/30		6/30
	Wheat	11/15/94	7/1	4/28
		5/31	7/15	6/30
		6/30	7/15	6/30

United States Department of Agriculture
Consolidated Farm Service Agency
Office of Risk Management
Washington, D.C. 20250

BULLETIN NO.: MGR-95-008

TO: All Reinsured Companies
CFSA Headquarters, Program Delivery and Field Operations
All Risk Management Field Offices

FROM: Kenneth D. Ackerman
Acting Deputy Administrator

SUBJECT: Entity Determinations and Providing Proof of Insurance

The following information provides revised guidelines for determining entities and how crop insurance policies will be written to ensure that producers meet the linkage requirements contained in the Federal Crop Insurance Reform Act of 1994.

<u>Multiple Landlords:</u>

Q: Many farms are operated by a single tenant-producer but are owned by multiple landlords each of which owns an undivided interest in the land. Often these undivided interests can be very small. If they purchase catastrophic coverage from a Consolidated Farm Service Agency (CFSA) office, must each of the multiple landlords obtain a separate policy and pay a separate $50 processing fee?

A: If each landlord is considered a separate entity for purposes of the farm programs and receives a separate farm program payment, then yes, each must obtain a separate policy from the CFSA. However, the multiple owners can choose to combine their interests under the farm programs with a single partnership or joint venture tax identification number to obtain a single CFSA farm program payment. If they do so, then only a single policy and single $50 payment is required for CFSA.

<u>For catastrophic coverage (CAT) policies sold by reinsured companies.</u> If a formal partnership exists, the policy will contain a partnership or joint venture tax identification number and be accompanied by substantial beneficial interest (SBI) records for the member partners. If an informal partnership exists, reinsured companies will need to advise the partnership that it must either "formalize" and obtain a partnership or joint venture tax identification number, or insure as individual entities with each individual policy-holder using his or her individual social security number. To maintain their farm program eligibility, members within informal partnerships must take action so that the entity with crop insurance is consistent with the entity receiving any farm program payment benefit.

For buy-up policies sold by reinsured companies. Consistent with FCIC policies and procedures, informal partnerships do not need to "formalize" as discussed above. However, to maintain their farm program eligibility, members within informal partnerships must take action so that the entity tax identification number under the crop insurance policy is consistent with the entity tax identification number receiving any farm program payment benefit in order to assist in verifying linkage and prevent delay of program benefit payments.

Husbands and Wives:

Q: Many farms are operated by husbands and wives who own undivided interests in the operation but qualify to receive separate farm program payments. In this case, must the husband and wife each obtain a separate policy and pay a separate $50 processing fee?

A: Under crop insurance rules, husband and wife are considered a single entity covered by a single policy unless they maintain fully separate operations requiring separate policy treatment. In the general case, CFSA offices may cover the husband and wife under a single policy, requiring payment of a single $50 processing fee. For policies issued after receipt of this notice, the policy should list the social security or tax identification numbers of both the husband and wife. For CFSA, since the computer software only allows for entry of one of the ID numbers, the other number may be handwritten or typed on the hard copy of the policy. For 1995 policies issued after this notice, private insurers can and are encouraged to list the spouse's number as an SBI entry in order to assist in verifying linkage and prevent delay in program benefits. For 1996, the spouse's tax identification number will be required to be listed as an SBI entry in these cases where the spouse owns a separate interest in the operation and, as a result, receives a separate program benefit.

Note that this response reflects a change for CFSA offices. If separate policies for a husband and wife have already been written, the policies may be corrected and both spouses' interests may be covered under one policy at the request of the policyholders, and a refund of the administrative fee may be requested and provided.

Tenants (landlords) insuring landlords (tenants):

Q: For buy-up policies sold by reinsured companies where a tenant (landlord) purchases coverage for the landlord (tenant) other party on a single policy and the other party's name does not appear as an SBI entry, how will CFSA recognize the landlord (tenant) for linkage purposes?

A: Linkage will be satisfied for both the tenant and the landlord under this arrangement. For 1995 policies issued after this notice, private insurers can and are encouraged to list the other party's number on the policy as an SBI entry in order to assist in verifying linkage and prevent delay in program benefits. Persons not identified by tax identification numbers associated with their policies will be required to provide proof of insurance at the county office in order to be eligible for program benefits.

Proof of Linkage Compliance:

Q: What documentation must a producer provide when signing up for a CFSA farm benefit program in order to demonstrate compliance with the linkage requirement?

A: CFSA procedure (1-RM Amend.1, page 2-3) indicates that the producer must provide either a copy of the signed application from the private insurance company or a signed statement from the agent indicating the crop year, producer's name, tax identification number, and crops insured. Since 1-RM was issued, it has been agreed that any document provided by the agent to the policyholder indicating the above information will be sufficient to demonstrate compliance. County offices had been instructed to request lists of policyholders from agents to verify coverage; however, county offices are not authorized to request, nor are agents required to provide such lists. It is the producer's responsibility to obtain the information necessary from the agent to show that they have met the linkage requirement.

United States Department of Agriculture
Consolidated Farm Service Agency
Office of Risk Management
Washington D.C. 20250

BULLETIN NO.: MGR-95-009

TO: All Reinsured Companies
CFSA Headquarters, Program Delivery and Field Operations
All Risk Management Field Offices

FROM: Kenneth D. Ackerman
Acting Deputy Administrator

SUBJECT: Relief for Catastrophic Coverage Production Reporting for the 1995 Crop Year

BACKGROUND:

The Federal Crop Insurance Reform Act of 1994 and program considerations require that Actual Production History (APH) yields must be established on all policies. APH yields are needed not only for a claim to be processed, but also to determine; (1) the degree of exposure or liability of the crop insurance program to actual loss, (2) the level of imputed premium to be credited to fund potential indemnity payments, and (3) the insurance guarantee for each policyholder.

If large numbers of APH determinations are not completed until late in the crop year and losses do occur, many farmers may not receive timely payments on claims. The earlier the APH yield is processed, the better the quality of the service provided to producers. Insurance providers should continue to encourage producers to complete production reporting as soon as practicable and to take advantage of the flexibility provided by the certification process.

ACTION:

Recognizing the difficult workload situations associated with implementation of the catastrophic crop insurance program, additional time to complete the work of obtaining and processing APH yields for catastrophic coverage policies is being provided as follows:

1. Insurance providers may accept catastrophic coverage yield histories until the earlier of the following dates, as appropriate:

   A. the filing of any claim for indemnity under a CAT policy; or

   B. May 31, for most perennial and fall-seeded crops ; or

   C. July 15, for spring-planted crops .

Insurance providers are encouraged to arrange meetings with producers to complete this work at the same time as acreage reporting so that all needed information can be obtained in a single visit.

2. Once the certified yield histories are received, Consolidated Farm Service Agency (CFSA) county offices and reinsured companies shall process the APH data and submit it to the Federal Crop Insurance Corporation as soon as possible to ensure that producers who experience losses or require additional work on their yields will receive timely service. County Offices should record the data, but will not be able to transmit until the transmission software is available.

We will continue to work with all insurance providers where particular workload situations exist to ensure that offices are able to provide service to their producers.

United States Department of Agriculture
Consolidated Farm Service Agency
Office of Risk Management
Washington, D.C. 20250

BULLETIN NO.: MGR-95-010

TO: All Reinsured Companies
CFSA Headquarters, Program Delivery, Field Operations
All Risk Management Field Offices

FROM: Kenneth D. Ackerman
Acting Deputy Administrator

SUBJECT: Insured's Signature on Acreage Reports

BACKGROUND:

On October 12, 1994, the Federal Crop Insurance Corporation (FCIC) issued an INFORMATIONAL MEMORANDUM requiring all acreage reports for the 1995 crop year to be signed by the insured or the insured's authorized representative. The General Administrative Regulations, Subpart T, 400.653(d) published January 6, 1995, provided that the insured must file a signed acreage report on or before the acreage reporting date.

ACTION:

An insured is statutorily required to report acreage planted and prevented from being planted for both the Federal crop insurance program and the Noninsured Crop Disaster Assistance program. As a matter of policy, insureds have always been required to file an acreage report in order to compute the premium. The requirement that the insured, or an authorized representative sign the acreage report is not new, nor is the practice of accepting acreage reports over the phone legally permissible. Since acreage reports are an integral part of the insurance contract, the Office of General Counsel has consistently advised FCIC that, as a matter of contract law, these documents must be signed by the insured or an authorized representative.

The acreage report is the document upon which the premium is based. The information contained therein is binding on both parties to the contract, the insured and the insurer (company or FCIC). The acreage report also contains a certification to the veracity of the information contained therein and failure to report accurate information on this document could subject the insured to criminal and civil penalties. Therefore, this document must be signed by the insured or an authorized representative (authorized by a properly executed power of attorney) to have a fully executed contract of insurance. **For catastrophic risk protection policies, the operator may sign. FCIC will amend the catastrophic risk protection regulations to provide notice to any other persons with an interest in the policy that the acreage report may be signed by the operator and that they will be bound by all statements on that signed acreage report.**

In cases where acreage reports are not submitted, failure to timely report acreage is a breach of the policy provisions. When the insured fails to timely submit an acreage report, the policy has a provision that permits the insurance provider to determine the insurable acreage, share, type or practice, or to deny coverage. This provision was included to avoid adverse selection by permitting the company to "zero" acreage when there was a loss, or the acreage was damaged. This provision also permitted the insurance provider to assign acreage in years where there was no loss to require the insured to pay the premium.

The insurance provider has the authority to determine the acreage as long as it is clear on the acreage report that the acreage was determined by the insurance provider and a representative of the insurance provider signs his or her own name, not the insured. However, since the insurance provider can only determine acreage if the insured violates the provisions of the policy and fails to submit an acreage report, the insured has breached the insurance contract and the policy may be terminated for the next crop year.

If the insurance provider accepts an acreage report that is not signed, or is taken by the telephone, it will be considered reinsured by FCIC; however, FCIC can not support the insurance provider in any dispute arising from the information contained in or derived from the acreage report because it has no way to determine the source or veracity of the information. If the dispute results in litigation, FCIC will not reimburse litigation expenses and will not reinsure indemnities resulting from the disputed information.

United States Department of Agriculture | Consolidated Farm Service Agency | Office of Risk Management | Washington, D.C. 20250

BULLETIN NO.: MGR-95-010.1

TO: All Reinsured Companies
CFSA Headquarters, Program Delivery, Field Operations
All Risk Management Field Offices

FROM: Kenneth D. Ackerman
Acting Deputy Administrator

SUBJECT: Insured's Signature on Acreage Reports - Revised

BACKGROUND:

On October 12, 1994, the Federal Crop Insurance Corporation (FCIC) issued an INFORMATIONAL MEMORANDUM requiring all acreage reports for the 1995 crop year to be signed by the insured or the insured's authorized representative. The General Administrative Regulations, Subpart T, 400.653(d) published January 6, 1995, requires the insured to file a signed acreage report on or before the acreage reporting date. On April 4, 1995, FCIC issued Bulletin No.: MGR-95-010 which stated that acreage reports must be signed by the insured in order to have a fully executed contract of insurance. This bulletin also stated that if litigation was filed against the insurance provider due to information contained in or derived from an unsigned acreage report, FCIC would not reimburse litigation expenses and would not reinsure indemnities resulting from the disputed information. Bulletin No.: MGR-95-010 also provided that operators may sign acreage reports for catastrophic risk protection policies only.

The crop insurance industry has requested clarification regarding the reinsuring of indemnities involved in disputes arising from the information contained in or derived from an unsigned acreage report. The industry has also requested that operators be allowed to sign acreage reports for limited and additional coverage policies.

ACTION:

Paragraph 2 under "Action" of Bulletin No.: MGR-95-010 is revised by inserting the following after the last sentence of paragraph 2 as follows:

For limited and additional coverage policies, an operator (or any other competent party) may sign the application, acreage report, or any other document relative to crop insurance coverage where he or she has a properly executed power of attorney authorizing the operator to sign. For the 1995 crop year only, if the application was signed by the operator without a properly executed power of attorney, the power of attorney must be obtained and submitted to the insurance provider by the final acreage reporting date for the crop insurance contract for which acreage is being reported.

Paragraph 5 under "Action" of Bulletin No.: MGR-95-010 is also revised by striking the last sentence of the fifth paragraph and inserting the following:

If the dispute results in a threat of litigation, litigation, settlement of the claim through the administrative appeals process, or any other payment, FCIC will not reimburse litigation or administrative expenses resulting from such claim, and will not reinsure any claim resulting from the disputed information under ultimate net loss. For example:

> 1) The insured claims he reported 20 acres over the telephone to the crop insurance agent. The insurance provider processed the acreage report based on 15 acres. The amount of acres in dispute, subject to the litigation brought by the insured is 5 acres, not the 15 acres actually processed. Therefore, FCIC would not pay an ultimate net loss resulting from a claim brought by the insured for the disputed 5 acres.
>
> 2) The insured reports a 75 percent share to his or her crop insurance agent. The insurance provider processes the acreage report based on a 75 percent share. A dispute arises based on a subsequent representation or determination (cross-compliance) that the share was actually 100 percent. The premium and liability associated with the 25 percent share is the amount in dispute. Therefore, FCIC would not pay an ultimate net loss resulting from the payment to the insured for the disputed 25 percent share.

If the insured fails to submit a signed acreage report, the insurance provider in accordance with policy provisions may: 1) determine the insurable acreage, share, type, or practice, etc.; or 2) determine zero acreage. The insurance provider may attempt to verify unsigned acreage report information through a verification letter to the insured that advises the insured that the reported information will be binding if it is not modified within a specified amount of time. If no response is received from the insured, the insurance provider may accept and process the unsigned, reported information or declare the acreage to be zero as provided under FCIC-approved procedure applicable to the situation.

United States Department of Agriculture | Consolidated Farm Service Agency | Office of Risk Management | Washington, D.C. 20250

BULLETIN NO.: MGR-95-011

TO: All Reinsured Companies
CFSA Headquarters, Program Delivery and Field Operations
All Risk Management Field Offices

FROM: Kenneth D. Ackerman
Acting Deputy Administrator

SUBJECT: Revisions and Clarifications for Wheat, Citrus, Tobacco, and Pea Insurance Due to the Implementation of the Federal Crop Insurance Reform Act of 1994

ISSUE:

Questions have been raised regarding specific implementation issues for the above crops due to the Federal Crop Insurance Reform Act of 1994 (Act). The following information answers these questions and, in some cases, will result in amendments to the catastrophic risk protection endorsement published in the Federal Register as an interim rule.

DISCUSSION:

1. Issue: Some counties have both a fall and spring sales closing date for wheat. Winter wheat and spring wheat are insurable in these counties. Will wheat producers, in counties which have both a fall and spring sales closing date, who are now applying for catastrophic risk protection (CAT) for their winter wheat be able to choose between the CAT, limited, or additional coverage levels for their spring wheat?

   Clarification: Producers in these counties, who did not purchase limited or additional coverage on or prior to the fall sales closing date and are now obtaining CAT coverage for their winter wheat, will be limited to CAT coverage on their spring wheat. Separate levels of coverage are not available for spring and winter wheat.

2. Issue: Is CAT coverage available for winter wheat planted in a county that has only a spring sales closing date?

   Clarification: If wheat is a crop of economic significance both winter and spring acreage must be insured to maintain eligibility for certain other Department of Agriculture (USDA) program benefits. Both winter and spring wheat are insurable for the 1995 crop year under CAT, limited, and additional coverage in counties which have only a spring sales closing date. The small grains crop provisions require the insured to notify the insurer that coverage is desired for winter wheat. Notification is required by the spring sales closing date designated in the special provisions.

   Due to confusion regarding the requirements to request insurance for winter wheat in spring only counties, Insurance Providers may consider requests for winter wheat coverage received by April 28, 1995, as meeting the notification requirements.

The small grains crop provisions also require the insurer to agree, in writing, that the winter wheat acreage has
an adequate stand in the spring to produce at least the approved actual production history (APH) yield. Due to the large amount of acreage involved, insurers may elect to make this determination based on an area wide analysis of damage and signify acceptance of winter wheat acreage by sending notification of acceptance to the insureds who requested such coverage. Failure of the acreage to be accepted for insurance purposes due to crop damage will not affect the linkage requirements of the producer.

3. Issue: A producer has elected the winter coverage endorsement under limited or additional coverage for winter wheat, the wheat is subsequently damaged, and the insured elects to accept an appraisal of the remaining potential production. The producer may elect to plant the acreage to spring wheat. The spring wheat may be insured separately from the winter wheat. Since the spring wheat is planted on the same acreage for the same crop year as the winter wheat, does it have to be insured for linkage requirements?

   Clarification: The spring wheat would need to be insured for linkage requirements if all wheat planted in the county is a crop of "economic significance."

4. Issue: Do dry peas and green peas each require separate administrative fees?

   Clarification: Dry peas and green peas are currently insured under the pea crop insurance policy. Dry peas and green peas are two separate crops which may be insured independently of each other and at different coverage levels. Each crop requires a separate administrative fee.

5. Issue: The CAT endorsement subsection 1.(g) states:

   > "County - The county or other political subdivision shown on your accepted application including land in an adjoining county, provided such land is part of a field that extends into the adjoining county and the county boundary is not readily discernable. For peanuts and quota tobacco, the county will also include any land identified by a CFSA farm serial number for the county but physically located in another county."

   Clarification: Tobacco is insured under the guaranteed or the quota plan of insurance. Tobacco insured under the quota plan is sold under a quota marketing system. Most tobacco insured under the guaranteed plan of insurance is also sold under a quota marketing system. The quota amount is established by the Consolidated Farm Service Agency (CFSA) for each applicable farm serial number. Tobacco insured under the guaranteed plan which is planted on land identified by a CFSA farm serial number for a county but that is physically located in another county requires a separate policy according to the current definition of "county" in the CAT endorsement. All tobacco, whether insured under the quota or guaranteed plan, should be included in the definition of county. This would allow land in another county to be considered a part of the county in which the farm serial number is administered to prevent splitting the quota within each CFSA farm serial number. The catastrophic risk protection endorsement has been published in the Federal Register as an interim rule. FCIC intends to amend this regulation to delete the word "quota" in the definition of "county" before the regulation is published as final rule in the Federal Register.

6. Issue: Can a producer maintain linkage requirements when an insurable crop was planted but a zero acreage report was filed?

   Clarification: A producer who has planted a crop but submitted a zero acreage report has violated the terms of the insurance policy by willfully and intentionally providing false or inaccurate information, as referenced in the applicable policy. Therefore, the producer will not be eligible for certain other USDA program benefits.

7. Issue: Can a producer maintain linkage requirements when an insurable crop was planted but a unit of the crop was not reported or the acreage within a unit was under-reported?

   Clarification: Insureds may meet linkage requirements for certain other USDA programs if inaccurate reporting is determined to be unintentional. If it is determined that a producer has knowingly adopted a material scheme or device to obtain benefits to which he/she is not entitled, the producer shall be ineligible to receive all benefits applicable to the crop year for which the scheme or device was adopted.

8. Issue: If an uninsured producer buys land after the sales closing date, can the producer apply for a late filed application and if not will the producer meet linkage requirements with certain other USDA programs?

   Clarification: The producer may purchase CAT up to the acreage reporting date with written justification, etc., as specified on page 19 of the CAT handbook slip sheet issued February 15, 1995. The insurance provider may approve such application at their discretion. If the producer did not obtain the land by the sales closing date and insurance is not obtained, the issue of linkage should not be in question. The producer would not have to request CAT and the insurance provider does not have to approve the late filed application for eligibility to be maintained.

9. Issue: The Native American Lessor Agreement appearing in the CAT Service Office Handbook does not properly address the needs of the policyholders, insurers, or CFSA for catastrophic risk protection coverage.

   Clarification: See attachment 1 for further information.

ACTION:

Effective immediately, the issues contained herein are to be administered in accordance with the contents of this bulletin.

Attachment

The Federal Crop Insurance Corporation (FCIC) has determined that the Bureau of Indian Affairs (BIA) and Tribal Councils can be issued crop insurance contracts in the BIA or Tribal Council name to insure their share of a crop which is farmed by a tenant. The BIA as the lessor leases land that is under trust with the BIA for a tribe or a portion of a tribe.

This land is leased by allotment, which is a portion of land owned by a number of members of a tribe. Allotments may qualify for separate unit division as each allotment generally is owned by different tribal members.

All of the crop insurance regulations and procedures concerning Catastrophic Risk Protection (CAT), Limited Coverage and Additional coverage apply to the issuance of these contracts.

The Federal regulations pertaining to gathering Social Security (SSN) or Tax Identification (TIN) numbers for those with a Significant Beneficial Interest will apply to the lessee and individual Indian lessors that lease land outside of the BIA trust. The BIA as a Federal agency will not provide such numbers. The Consolidated Farm Service Agency (CFSA) in place of transmission of the SSN or TIN for the BIA will transmit the code identifying the county and state. For companies, the FCIC code for state and county will be transmitted. The last four digits will be generated internally and then transmitted by CFSA and companies to further identify the entity.

In the event the BIA or Tribal Council requires the producer (lessee) to purchase coverage for them, a Power of Attorney needs to be executed providing the lessee all of the rights to complete an application for the lessor and execute any necessary crop insurance documents. When insurance is required to cover the lessor's interest in the crop by the lease, the policy will be issued in the name of the lessor.

The Native American Lessor Agreement and Indian Lessor Agreements are now obsolete. Changes to the Service Office Handbook, Catastrophic Risk Service Office Handbook and Manual 13 are now being made to accommodate these changes.

Policies that are currently in force with the Native American Lessor Agreement can remain in effect for the current crop year. The following crop year the coverage must be rewritten in accordance with these instructions.

United States Department of Agriculture | Consolidated Farm Service Agency | Office of Risk Management | Washington, D.C. 20250

BULLETIN NO.: MGR-095-012

TO: All Reinsured Companies
CFSA Headquarters, Program Delivery and Field Operations
All Risk Management Field Offices
Other Interested Parties in Multiple Peril Crop Insurance

FROM: Kenneth D. Ackerman
Acting Deputy Administrator

SUBJECT: Request for Suggestions to Simplify the Federal Crop Insurance Program

The Federal Crop Insurance Corporation (FCIC) is charged with implementing the Federal Crop Insurance Reform Act of 1994 (the Act) by developing insurance products and delivering them to agricultural producers. Basic level, "catastrophic" policies are delivered through both private insurance companies reinsured by FCIC and local offices of the Consolidated Farm Service Agency. The administrative costs of these catastrophic policies are offset by farmer-paid fees. Delivery of higher coverage levels is primarily through reinsured companies. FCIC pays an administrative expense reimbursement to these companies.

The Act requires a gradual and continual reduction in the administrative expense reimbursement paid to reinsured companies. Many observers have suggested that simplifying the administrative requirements of the insurance policies and the program offers the best chance of reducing costs to accommodate the legislatively mandated reduction. Furthermore, the Act requires such simplification, as in Section 508 (a) (10), when it states:

> "(A) Catastrophic Risk Protection Plans.--In developing and carrying out the policies and procedures for a catastrophic risk protection plan under this title, the Corporation shall, to the maximum extent practicable, minimize the paperwork required and the complexity and costs of procedures governing applications for, processing, and servicing of the plan for all parties involved.
>
> "(B) Other Plans.--To the extent that all policies and procedures developed under subparagraph (A) may be applied to other plans of insurance offered under this title without jeopardizing the actuarial soundness or integrity of the crop insurance program, the Corporation shall apply the policies and procedures to the other plans of insurance within a reasonable period of time (as determined by the Corporation) after the effective date of this paragraph."

Therefore, FCIC is soliciting suggestions from all interested parties as to how it can further simplify the delivery of the crop insurance program, minimize paperwork, and reduce complexity.

Suggestions should be submitted in writing to the Research and Development Division, Attention Nelson Maurice, Senior Underwriter, Federal Crop Insurance Corporation, P. O. Box 419293, Kansas City, Missouri 64141. For further information, Mr. Maurice can be contacted at (816) 926-3636. Suggestions should be submitted in writing by April 30, 1995.

Suggestions may deal with any aspect of the FCIC program. However, suggestions regarding changes in the coverage offered under individual crop insurance programs are not requested at this time unless such suggestions will also lead to administrative simplification.

Suggestions should be detailed as to what specific change is recommended. Note that FCIC's underwriting operations must be carried out in a sound manner; the Act requires that it have " . . . an overall projected loss ratio of not greater than 1.1 by October 1, 1995." The projected overall loss ratio must be further reduced to 1.075 by October 1, 1998. Therefore, it may not be feasible to accept simplification suggestions that reduce delivery expenses at the cost of increasing underwriting losses.

For each suggestion, please estimate or provide:

1. The costs associated with the current procedure for which a change is proposed;

2. The basis (e.g., hours of clerical time, administrative, or field work required) by which the cost is measured;

3. The savings that would result from adopting the proposed change;

4. The degree to which the current procedure and the proposed change assure that the correct liability is established, premium collected, and loss paid;

5. The basis by which these estimates are made; and

6. The degree to which affected policies would be more or less likely to be designated to the commercial fund under the Standard Reinsurance Agreement.

FCIC will preliminarily evaluate all suggestions and then seek the technical opinions of entities involved in the delivery systems as to the practicality and feasibility of each proposal. Those suggestions most likely to simplify operations, reduce administrative burdens, and that enhance program delivery to farmers will be implemented in an orderly fashion for the coming crop years.

United States Department of Agriculture
Consolidated Farm Service Agency
Office of Risk Management
Washington, D.C. 20250

BULLETIN NO.: MGR-95-013

TO: All Reinsured Companies
CFSA Headquarters, Program Delivery and Field Operations
All Risk Management Field Offices

FROM: Kenneth D. Ackerman
Acting Deputy Administrator

SUBJECT: Duplicate Insurance Policies

ISSUE:

There is a potential for a significant number of duplicate policies to be in place this year. The purpose of this Bulletin is to remind program participants of FCIC's rules for the resolution of duplicate policies.

The increase in duplicate policies may be due to misunderstandings over linkage requirements mandated by the Federal Crop Insurance Reform Act of 1994 as some producers may have obtained duplicate catastrophic risk protection (CAT) policies in order to assure eligibility for certain other Department of Agriculture program benefits.

ACTION:

FCIC regulations prohibit producers from insuring the same crop in the same county for the same crop year under more than one insurance policy.

When duplicate coverage is discovered by FCIC's data acceptance system (DAS), the second policy received will be rejected. Rejection by the DAS is not a determination of which policy should continue in force. Rather, it is the responsibility of the insurance providers involved (reinsured companies and Consolidated Farm Service Agency local offices) to determine in each case which policy will be continued and which will be canceled, in accordance with the following:

1. In general, if two or more applications are filed for the same crop and crop year, the application filed first is valid and all others shall be denied.

2. In general, if the producer submits Form FCIC-480, Cancellation/Transfer of Experience, along with an application before the sales closing date, all other policies, including those for which application is made in the same crop year, shall be canceled.

3. However, if a CAT policy is previously obtained and a limited or additional coverage policy is subsequently purchased for the same crop year, the CAT policy must be canceled (see Subpart T General Administrative Regulations, 400.655 (a)(3) and 1995 FCIC 18100 Catastrophic Risk Protection Handbook, Section 4, Par. F(2)).

4. If there is a carryover policy and a new policy for which a Form FCIC-480, Cancellation/Transfer of Experience has not been executed, the new policy must be canceled.

5. If coverage provided by a policy at less than the CAT level (50/60) is subsequently duplicated with a new CAT policy but such policy remains in force, then coverage must be increased to the required level by April 28, 1995 (see R&D-94-048 and R&D-94-048.1), and the new duplicate policy must be canceled.

6. Any administrative fee paid for coverage that is subsequently canceled because of duplication shall be refunded to the producer by the insurance provider canceling the policy. The insurance provider furnishing coverage for the crop shall collect the applicable administrative fee from the producer.

7. An insurance provider may, at its sole discretion, mutually agree to cancel coverage so long as coverage is maintained with another insurance provider.

8. An insurance provider who cancels a policy or rejects an application because of duplication shall notify the applicant/insured in writing of that action.

Delays in resolving conflicts may have an adverse financial impact on the insured producer as well as other insurance providers; therefore, all involved parties shall resolve such conflicts for any policy that may be affected as quickly as possible. Insurance providers shall cooperate fully with each other to timely resolve the duplicate policy issues and eliminate farmer confusion. This involves, but is not limited to, providing copies of all relevant documentation and reviewing the matter with the other providers.

United States Department of Agriculture
Consolidated Farm Service Agency
Office of Risk Management
Washington, D.C. 20250

BULLETIN NO.: MGR-95-014

TO: All Reinsured Companies
CFSA Headquarters, Program Delivery and Field Operations
All Risk Management Field Offices

FROM: Kenneth D. Ackerman
Acting Deputy Administrator

SUBJECT: Liberalization of the Florida Citrus Crop Insurance Coverage Change Date for the 1996 Crop Year

ISSUE:

Concerns have been raised regarding differences in the final date by which Florida citrus insureds may change policy coverage.

DISCUSSION:

Federal Crop Insurance Corporation's (FCIC's) General Crop Insurance Policy (88-G Rev. 3-91) provides that insureds "... may change the amount of insurance or coverage level and price election on or before the **sales closing date** for the crop year." In contrast, the General Provisions used by several reinsured companies (1988-CHIAA 700 A) provide that insureds "... may change the coverage level and/or price election for the following crop year on or before the **cancellation date** shown on the State Endorsement for each insured crop which is shown on the Schedule of Insurance. For Florida citrus the cancellation date is April 30 and the sales closing date is August 15." This allows an insured who has the FCIC policy to change the amount of insurance through August 15, while other insureds must make the same decision by April 30. The situation is further complicated by companies who use the FCIC endorsement but still require carryover insureds to make coverage changes by April 30. To provide equal opportunity for all Florida citrus insureds to make policy coverage changes up to the sales closing date, the CHIAA 700 A or equivalent General Provisions may be liberalized to allow insureds covered under these policies to change their policy coverage up to the August 15, 1995, sales closing date.

ACTION:

Effective immediately, companies may accept requests for changes in coverage for the 1996 crop year from carryover policyholders until August 15, 1995, as long as no loss has occurred.

BULLETIN NO.: MGR-95-015

TO: **All Reinsured Companies**
CFSA Headquarters, Program Delivery and Field Operations
All Risk Management Field Offices

FROM: **Kenneth D. Ackerman**
Acting Deputy Administrator

SUBJECT: **Linkage Requirements for Forage Seeding Producers**

BACKGROUND:

There have been numerous questions regarding the applicability of the forage seeding policy to meet linkage requirements under the Federal Crop Insurance Reform Act of 1994 (Act). Under the Act, producers must obtain at least catastrophic risk protection for all crops of economic significance to maintain eligibility for certain other USDA program benefits. The economic significance of forage seeding has been questioned as the forage seeding policy only provides coverage for forage seeding until the first cutting. This question has caused confusion among insurance providers and producers resulting in different treatment for the 1995 crop year.

ACTION:

Due to the confusion regarding Forage Seeding policies for the 1995 crop year, linkage requirements will not apply to forage seeding crops. Producers who purchased a forage seeding CAT policy for the purpose of satisfying linkage requirements, shall have 30 days from the date of this bulletin to cancel their policy. Any administrative fee applicable to the forage seeding policy will be refunded provided the request to cancel is received within the 30 day cancellation period.

BULLETIN NO.: MGR-95-017

TO: **All Reinsured Companies**
CFSA Headquarters, Program Delivery and Field Operations
All Risk Management Field Offices

FROM: **Kenneth D. Ackerman**
Acting Deputy Administrator

SUBJECT: **Violations of the Standard Reinsurance Agreement Provisions**

BACKGROUND

The Office of Risk Management, Risk Compliance Division (RCD) has identified repeated violations of the Standard Reinsurance Agreement (Agreement) provisions by some reinsured companies. Some violations were clear ***CONFLICTS OF INTEREST***; others gave ***the appearance*** of a CONFLICT OF INTEREST.

For example:

1) unlicensed agents, solicitors, and other sales representatives participating in the sales and service of crop insurance contracts

2) a spouse or family member residing in the household of a loss adjuster is an employee of an agent

3) the commingling of sales supervision and loss adjustment activities by sales supervisors of reinsured company

4) the transfer of an agent's entire book of business from reinsured company to reinsured company while retaining the same loss adjustment staff

5) agents that directly participate in the verification of Actual Production History Yields

The Agreement contains specific language as to what a reinsured company must *do*, and must *not do* with regard to their Insurance Operations and the penalties for violations.

ACTION

The purpose of this bulletin is to remind all reinsured companies that *all* provisions of the Agreement are valid and binding once the Agreement is duly signed and agreed to, by the Federal Crop Insurance Corporation and Company. If the above violations are found on subsequent company reviews, the RCD will issue initial determinations based on the identified violation(s) and recommend appropriate penalties as prescribed in the Agreement provisions. Those penalties may include, but are not limited to, suspension and debarment of Company employees, loss adjusters, or agents. 7 CFR Ch. 017 (1-1-94 Edition) Part 3017-Governmentwide Debarment and Suspension (Nonprocurement).

Section V. GENERAL PROVISIONS of the 1995 Agreement Subsection F. Insurance Operations states in part:

2. The Company must sell all eligible crop insurance contracts reinsured under this Agreement through properly trained and licensed agents. Agents, brokers, solicitors, or any other sales representatives of the Company who are authorized to quote premium rates and coverage or provide other information pertaining to eligible crop insurance contracts must hold an insurance license issued by the state in which each such contract is written.

3. The Company may not permit its sales agents, local agency employees, sales supervisors, or any spouse or family member residing in the same household as any such sales agent, local agency employee, sales supervisor to adjust losses, or supervise, or otherwise control loss adjusters, nor to participate in the determination of the amount or cause of any loss nor to verify yields of applicants for the purpose of establishing any insurance coverage or guarantee, if eligible crop insurance contracts involved are sold or serviced by or through the sales agent, local agency employee, the local agency, any competing agency, or by any agent or local agency supervised by the sales supervisor.

4. The Company and FCIC agree that FCIC will assume and perform the obligations of the Company if the FCIC determines that the Company's loss adjustment performance and practices are not carried out in accordance with this Agreement. . . .

5. The Company must verify all yields and other information used to establish insurance guarantees. . . .

6. The Company and its agents must use standards, procedures, forms, methods and instructions approved by FCIC in the sale and service of MPCI contracts of insurance reinsured under this Agreement.

Subsection H. Compliance and Corrective Action states:

1. The Company must be in compliance with the provisions of this Agreement, the Standards for approval as published by FCIC, the laws and regulations of the United States, the laws and regulations of the state in

which the Company is conducting business under this Agreement, unless state laws and regulations are in conflict with this Agreement, and all instructions of FCIC.

2. The Company must cooperate with FCIC in the review of Company operations which are designed to assure policyholders are properly serviced, that monies are distributed in accordance with the Act, and that FCIC policies and procedures are being followed.

3. In lieu of termination of this agreement and in addition to suspension of this agreement in accordance with the provisions of subsection V.I., if FCIC finds that the Company has not complied with the provisions of paragraphs V.H.1. and 2. above, and the Company has not taken appropriate steps to correct the non-compliance, FCIC may, at its option:

   a. Require, in writing, that the Company take corrective action within forty-five (45) days of the date of such demand. The demand notice shall state each contract violation or occurrence of non-compliance or reported violation, including but not limited to, appropriate actions against any of its agents or other employees determined to be responsible for the violation; and

   b. Require that the Company refund or forfeit a share or all of the expense reimbursement, premium subsidy, or reinsurance with respect to the crop insurance contract violation identified.

Subsection I. Termination and Suspension states:

1. If the Company does not fulfill all of its obligations under this Agreement, FCIC may immediately terminate this Agreement for cause.

Subsection Q. Discrimination states:

The Company must not discriminate against any employee, applicant for employment, insured, or applicant for insurance because of race, color, religion, sex, age, physical handicap, marital status or national origin.

Subsection U. Liability for Agents and Loss Adjusters states:

The Company is solely responsible for the conduct and training of its personnel, agents and loss adjusters within the parameters of this Agreement. Liability incurred, to the extent it is caused by agent or loss adjuster error or omission, or for failure to follow FCIC approved policy or procedure, is sole the responsibility of the Company.

Reinsurance of a policy or policies will not be denied unless: (1) there exists a pattern of failure to follow FCIC approved policies or procedures, or allowance of errors or omissions; or (2) the Company knew or should have known of the failure to follow FCIC approved policies or procedures, or errors or omissions, and failed to take appropriate action to correct the situation. Any amounts paid by FCIC to the Company which later are determined to have been improperly paid because of failure to follow FCIC approved policies or procedures or because of error or omission, whether intentional or unintentional, will be repaid by the Company to FCIC with appropriate interest on the next monthly accounting or annual report, whichever is applicable. If the Company shows, to FCIC's satisfaction, that the agent or loss adjuster exercised reasonable care in the sales and service of the policies under this Agreement, FCIC may, at its sole discretion, waive, reduce or delay repayment.

United States Department of Agriculture | Consolidated Farm Service Agency | Office of Risk Management | Washington, D.C. 20250

BULLETIN NO.: MGR-95-018

TO: All Reinsured Companies
All Risk Management Field Offices
CFSA Headquarters, Program Delivery and Field Operations

FROM: Kenneth D. Ackerman
Acting Deputy Administrator

SUBJECT: Wheat Appraisal Monitoring Program in Colorado, Kansas, Missouri and Nebraska

BACKGROUND:

The wheat crop in the Midwestern Region of the United States has experienced moderate to severe damage. A widespread freeze in early April, drought conditions last fall, and insect infestation has affected a large number of the wheat acreage in the region. The Risk Compliance Division has received reports that allege low or inaccurate appraisals have been made.

ACTION:

Beginning today and for the remainder of the 1995 insurance period, the Federal Crop Insurance Corporation's (FCIC) Risk Compliance Division will conduct a review to monitor wheat appraisals in Colorado, Kansas, Missouri and Nebraska.

The purpose of the review is:

(1) to determine if wheat acreage is being released with low or inaccurate appraisals, assessed for production to count;

(2) to assess compliance with NCIS Bulletin No. 95055 and Informational Memorandum R&D-95-021; and

(3) to determine who the approved wheat appraisal procedures were followed.

FCIC's Risk Compliance Division will monitor CFSA/RSO and company performed reappraisals of unharvested wheat acreage. The Kansas City Compliance Office (KCO) will oversee this initiative, in cooperation with the CFSA County Offices and reinsured company field supervisors/representatives. Reappraisals of wheat acreage will be conducted by Loss Adjustment Contractors and company field supervisors/representatives.

Attached is an outline of the procedures and appraisal performance tolerances to be followed during the course of the review. The KCO will be responsible for the logistical details related to these procedures.

Attachment

STEPS TO FOLLOW DURING THE WHEAT APPRAISAL MONITORING PROGRAM:

1. CFSA/RSO and companies will inform loss adjusters not to finalize wheat claims (release acreage) at the field level. These claims should be finalized at the CFSA/RSO and company level. Loss adjusters should advise insureds to keep representative samples/acreage intact until it is released by the cfsa/rso and/or company.

2. CFSA/RSO and companies will provide the KCO with appraisal information worksheets via mail or fax at the following address:

   USDA/ Federal Crop Insurance Corporation
   Compliance Field Office
   P. O. Box 419293
   Kansas City, Missouri 64141
   Phone Number: (816) 926-7963
   Fax Number: (816) 926-5186

   KCO will review the Worksheets upon receipt and notify the CFSA/RSO and/or companies within one (1) business day which policies have been selected for reappraisal. Worksheets received after 3:00 pm will be reviewed the next business day. Exhibit 1 is the worksheet to be completed for the review.

3. CFSA/RSO and companies should release acreage (finalize claim) for those policies not selected for reappraisal once notified by the KCO.

4. KCO will coordinate and monitor reappraisals with cfsa/rso and company field supervisors/representatives within two (2) business days of policy selection and CFSA/RSO and/or company notification. CFSA/RSO and companies should provide KCO with the name and location of field supervisors/representatives and loss adjustment contractors (point of contact) who will be responsible for conducting reappraisals.

5. KCO should be notified of quality control reviews and preharvest and growing season inspections conducted by the CFSA/RSO and/or companies and provided a copy of the findings.

THE TOLERANCE POLICY FOR DETERMINING WHEN AN APPRAISAL IS UNACCEPTABLE WILL BE AS FOLLOWS:

1. FCIC-approved policies and procedures **were not** followed, resulting in a difference of any amount between the findings made by a reappraisal and an original appraisal of any amount.

2. FCIC-approved policies and procedures **were** followed:

   A difference of 10 percent or more exists between the results of a reappraisal and that of an original appraisal of 20 bushels or greater.

   A difference of 2 bushels or more exists between the results of a reappraisal and that of an original appraisal of less than 20 bushels.

When a unit is reappraised and found to contain a determination that is unacceptable, it will be defined to be incorrect. All differences in a unit loss determination defined to be incorrect will be corrected by the CFSA/RSO and/or company.

EXHIBIT 1

1995 WHEAT CROP REVIEWS

General Policy Information: **(Please Print or Type)** CAT Pol. Yes No (Circle one) BUY UP Pol. Yes No (Circle one)

Company: ______________________ Insured: ______________________

Agent: ______________________ Policy No.: ______________________

Loss Adjuster: ______________________ Loss No.: ______________________

Appraised Potential by Unit:

Type of Loss (*Please check one*)

Appraisal Date: ________ Replant ____ Preliminary ____ Final ____

Crop ________ Practice ________ County __________

Unit No. ______ FSN ________ Field No. ____ Cause of Loss Code ______

Total Acres ______ Acres Released ________ Appraised Potential __________

Unit shown above selected for review by Compliance: YES NO

Type of Loss (*Please check one*)

Appraisal Date: ________ Replant ____ Preliminary ____ Final ____

Crop ________ Practice ________ County __________

Unit No. ______ FSN ________ Field No. ____ Cause of Loss Code ______

Total Acres ______ Acres Released ________ Appraised Potential __________

Unit shown above selected for review by Compliance: YES NO

Type of Loss (*Please check one*)

Appraisal Date: ________ Replant ____ Preliminary ____ Final ____

Crop ________ Practice ________ County __________

Unit No. ______ FSN ________ Field No. ____ Cause of Loss Code ______

Total Acres ______ Acres Released ________ Appraised Potential __________

Unit shown above selected for review by Compliance: YES NO

CC: FCIC COMPLIANCE OFFICES
FCIC DIRECT SERVICE OFFICES
FCIC REGIONAL SERVICE OFFICES
CFSA HEADQUATERS (ATTN: ERNESTINE CARRTER-PLS. ROUTE)
AMERICAN ASSOCIATION OF CROP INSURERS
CROP INSURANCE RESEARCH BUREAU
NATIONAL ASSOCIATION OF CROP INSURANCE AGENTS
NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS
NATIONAL ASSOCIATION OF PROF. INSURANCE AGENTS
NATIONAL CROP INSURANCE SERVICES
VICKERS & VICKERS

CC: RECORDS NO. 1 ACTING/AM-IS - PLEASE ROUTE
RECORDS NO. 2 MGR/CHRON
KACKERMAN/MANAGER
ACTING/DAM-RSO
SDITTRICH/DEPUTY MANAGER ACTING/FUSD - PLEASE ROUTE
MMULUGETA/ASSOCIATE MANAGER MHAND/CS - PLEASE ROUTE
NSMITH/A&L HBAKER/DSS - PLEASE ROUTE
MANOR/IC MJONES - C&PA
C&PA R&PD
VACANT/SECY TO BOARD
SPHIPPS-MANAGER'S OFFICE
VPORTIS - MANAGER'S OFFICE C&PA

GWESTMORELAND/AM-AMC
ACTING/DAM-AMC
DYER/CORRESPONDENCE
JSUBAT/OBPA/ROOM 147-W ADMIN.
OIG AUDITOR/ROOM 415-E ADMIN.

KANSAS CITY: TWITT/AM-R&D - PLEASE ROUTE
DHOFFMAN/DAM-AMA - PLEASE ROUTE
RWAGGONER/DAM-DSO
SGINIE/FOB
EKALWEI/SDSB
CHIEF/TRAINING CENTER
FOXLEY/FSPB

BULLETIN NO.: MGR-95-019

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Kenneth D. Ackerman
Acting Deputy Administrator

SUBJECT: Written Agreements Requiring Crop Inspections

BACKGROUND:

There have been numerous questions regarding whether required crop inspection reports should be submitted with a written agreement request to the Federal Crop Insurance Corporation (FCIC) Regional Service Office (RSO) or whether the inspection report should be completed after the written agreement is prepared. RSOs are reporting that requests have been coming in without any indication of the crop being planted and/or without crop inspection forms.

The 1995 Crop Insurance Handbook (FCIC 18010) [Sec. 4 E(1)] and Exhibit 11 state that some written agreements which are authorized after the sales closing date require preacceptance crop inspections (if the crop has been planted) to be performed prior to issuance of written agreements. The request and supporting documentation, including the preacceptance crop inspection, must be received by the RSO by the applicable deadline.

ACTION:

To ensure efficient processing of written agreement requests, please indicate on the Request for Actuarial Change form whether the crop has been planted. If the crop has been planted, a crop inspection must be performed. An on-the-farm inspection is required to determine the number of acres, perform crop appraisals, and make observations of the current general crop, soil, and weather conditions to determine if the crop will produce at least 90 percent of a "normal crop." A "normal crop" is defined as the yield upon which the guarantee is based. When using the stand reduction appraisal, a crop which has a stand of less than 90 percent for the unit is not acceptable.
Attach the crop appraisal form(s) and loss adjuster report(s) to each request prior to submitting to the RSO. If you have any questions, please contact the Underwriting Services Branch of your respective RSO.

cc: **Dave Sherman --Room 4089 South Building**
(Note: This Bulletin is for information purposes only--Does not need to be issued as a NOTICE-RM).

FCIC:FUSD:SHestvik:DPaul:608wa.wpd/final

BULLETIN NO.: MGR-95-023

TO: All Reinsured Companies
CFSA Headquarters, Program Delivery and Field Operations
All Risk Management Field Offices

FROM: Kenneth D. Ackerman
Acting Deputy Administrator

SUBJECT: NAP, CAT, Limited and Additional Insurance Eligibility for Crops on Early Released and One Year Contract Modification CRP Land

ISSUE:

The Consolidated Farm Service Agency (CFSA) has announced the early release and one year modification to extend certain acreage under the Conservation Reserve Program (CRP) contracts. Some CRP land will be released after the sales closing date, but before the final planting date for some insurable crops.

DISCUSSION:

This Bulletin provides procedure for Noninsured Crop Disaster Assistance Program (NAP), Catastrophic Risk Protection (CAT), Limited, and Additional insurance eligibility for crops grown on CRP land that is released from CRP after the final crop insurance sales closing date, but before the actual CRP contract ending date.

ACTION:

For crops on land signed for early release from CRP contracts, producers with an existing insurance contract for the crops grown on the released CRP land must report the crop for insurance purposes, provided it meets insurance eligibility requirements. *For crops planted on CRP land released after the sales closing date*, there will be no late 1995 sign-up of crop insurance. *Producers with no insurance contract for the crop grown*, will be considered to have met the linkage requirements to receive program benefits which were affected by crop insurance linkage requirements. NAP coverage will be available for those crops planted on the early released CRP acreage for which insurance is not available provided all NAP guidelines are met.

BULLETIN NO.: MGR-95-024

TO: All Reinsured Companies
CFSA Headquarters, Program Delivery and Field Operation
All Risk Management Field Offices

FROM: Kenneth D. Ackerman
Acting Deputy Administrator

Subject: Notice PA-1625 provided option available to producers that have prevented planted acreage

BACKGROUND:

Notice PA-1625 provided options available to producers that have prevented planted acreage. There is confusion concerning crop insurance benefits when producers are prevented from planting any; insured crop, receive prevented planting insurance payment for that crop and subsequently establish an approved cover that is not an insurable crop on that acreage according to provisions in 5-PA.

The purpose of this notice is to provide clarification of benefits and applicable provisions when any crop, including any nonparticipating or nonprogram crop is reported as prevented planted.

PREVENTED PLANTED POLICY

Producers who are prevented from planting any insured crop and receive an insurance payment for that crop may subsequently establish an approved cover on that acreage according to provisions in 5-PA, as long as the approved cover crop **is not** an insurable crop. The following shall apply to the approved cover crop:

- crop insurance indemnities **will be paid** for the prevented planted crop
- haying and grazing of the approved cover crop **is** allowed outside the 5-month nonhaying and nongrazing period
- haying and grazing of the approved cover crop **is** allowed during the 5-month nonhaying and nongrazing period if the county has been authorized for emergency haying and grazing
- approved small grain cover crops shall not be hayed or grazed at any time even if emergency haying and grazing is authorized
- for participating crops, deficiency payments are earned on up to 92 percent of MPA at the guaranteed rate if the acreage is reported as prevented planted for payment

NOTE: haying includes silage, forage, haylage, and green chop.

BULLETIN NO.: MGR-95-026

TO: All Reinsured Companies
CFSA Headquarters, Program Delivery, Field Operations
All Risk Management Field Offices

FROM: Ken Ackerman
Acting Deputy Administrator

SUBJECT: Reinsured Company/MGA Definition Clarification

The Consolidated Farm Service Agency, Office of Risk Management (CFSA/ORM) is concerned that the administration of two or more Standard Reinsurance Agreements (SRA) by a single reinsured company or managing general agency (MGA), creates a moral hazard and could expose CFSA/ORM to adverse selection through gain and loss manipulation. This vulnerability may undermine the credibility and actuarial soundness of the multiple peril crop insurance (MPCI) reinsurance program, making it necessary to define MPCI administrative processes and organizational structures.

A reinsured company is an insurance company whose MPCI book of business, issued in the name of the reinsured or its policy-issuing company, is reinsured by the Federal Crop Insurance Corporation under the SRA. An MGA may be the reinsured company or an administrative business entity authorized by a reinsured company to produce and service the MPCI book of business, written by the reinsured company and its policy-issuing companies. The reinsured company must have its own staff, management, escrow account, loss adjusters and/or agreements, agency agreements, field offices, regional offices, service centers, data processing systems, forms and home office, hereafter, referred to as administrative operation. If the reinsured company uses an MGA, the MGA must maintain its own administrative operation. An insurance group may have more than one company within the group hold an SRA if each maintains a separate administrative operation and there is no concurrence or collusion between the companies. CFSA/ORM will allow an MGA to have an agreement with only one reinsured company during any given reinsurance year.

CFSA/ORM will review and evaluate each 1996 SRA/Plan of Operation to determine whether the administration and delivery of MPCI is in compliance with this bulletin. If CFSA/ORM finds a reinsured company is not in compliance with this bulletin, they will be notified of the violation and a notice of termination will be issued in accordance with Section V.I. of the SRA.

Questions concerning this bulletin should be addressed to E. Heyward Baker or your Account Executive at (202) 254-8245.

BULLETIN NO.: MGR-95-027

TO: All Reinsured Companies
CFSA Headquarters, Program Delivery and Field Operations
All Risk Management Field Offices

FROM: Kenneth D. Ackerman
Acting Deputy Administrator

SUBJECT: USDA Press Release - Prevented Planting

Late Friday afternoon, June 16, 1995, USDA issued the attached press release regarding FCIC's prevented planting coverage for crop year 1995. We will issue a more detailed Bulletin describing these changes within the near future.

Release No. 0504.95

Jim Petterson (202) 720-4623
Bruce Merkle (202) 720-8206

USDA ANNOUNCES ADDITIONAL CHANGES IN CROP INSURANCE PROGRAM TO AID PRODUCERS PREVENTED FROM PLANTING

Spokane, June 16, 1995--Agriculture Secretary Dan Glickman today announced further crop insurance changes to aid producers in the Midwest where excessive rainfall has prevented normal planting.

"These added changes, which will apply in instances of prevented planting, are essential to aid producers caught in a very difficult situation that has potential for severe economic problems," Glickman said. "Farmers expect federal crop insurance to be there for them when disasters strike. This year is the first year of a new, expanded crop insurance program under the 1994 Federal Crop Insurance Reform Act. We are committed to making the reforms work. The changes announced today, along with those announced in recent weeks, will ensure that crop insurance is responsive to the real-life needs of farmers as we perfect the program."

The new changes announced today are:

> Producers planting an alternative crop when they could not plant their original crop will be allowed a prevented-planting indemnity payment equal to 25 percent of the total insurance guarantee on their original crop. Up until now, producers could not plant an alternative crop and still collect a prevented-planting insurance payment.
>
> If no alternative crop was planted, the producer's indemnity payment will be 75 percent of their yield guarantee, up from 50 percent. This increased payment does not apply if a cover crop is planted for haying and grazing under the 0/92 program.

The changes announced today are effective for the 1995 crop year only. The USDA is now reviewing its prevented-planting policy to determine what changes would be appropriate for future years.

The USDA also will announce modifications of the farmer-owned reserve program to respond to changed market conditions caused by excessive rainfall and to off-set partially any additional costs associated with the crop insurance changes.

Producers should contact their local Consolidated Farm Service Agency office for further information.

United States Department of Agriculture | Consolidated Farm Service Agency | Office of Risk Management | Washington, D.C. 20250

BULLETIN: MGR-95-028

TO: All Reinsured Companies
CFSA Headquarters, Program Delivery and Field Operations
All Risk Management Field Offices

FROM: Kenneth D. Ackerman
Acting Deputy Administrator

SUBJECT: 1995 Crop Year Prevented Planting Provisions

ISSUE:

On June 16, 1995, Secretary Dan Glickman announced additional changes in prevented planting provisions for the 1995 crop year. This bulletin provides clarification of those decisions. Instructions for handling situations involving acreage reports and claims processed prior to the announced changes will be issued in a future bulletin.

ACTION:

For all crop year 1995 policies with prevented planting provisions, including winter wheat policies, insurance providers shall make prevented planting payments to eligible producers based on the following stipulations:

Changes in Guarantee Levels:

1. A producer may receive a prevented planting guarantee of 75 percent of the production guarantee, except for cotton and rice which shall be 52.5 percent and hybrid corn seed which shall be 60 percent, if no other crop is planted or if the acreage is enrolled in 0/92 or 50/92. Cover crops and crops planted for conservation purposes will be allowed provided they will **not** be harvested, hayed or grazed at any time. Insurance providers **shall** require a certification from producers that the approved cover crop will **not** be used for harvest, haying or grazing.

2. A producer who plants a cover crop for haying or grazing in accordance with Bulletin MGR-95-024 may receive a prevented planting guarantee of 50 percent of the production guarantee, except for cotton and rice which shall be 35 percent and hybrid corn seed which shall be 40 percent.

3. When the producer was prevented from planting the insured intended crop, a subsequent crop may be planted for harvest and the producer will receive a prevented planting guarantee of 25 percent of the production guarantee for the intended crop, except for cotton and rice which shall be 17.5 percent and hybrid corn seed which shall be 20 percent.

4. In summary, as a result of the policy changes announced by USDA, a producer who is prevented from planting an insured crop will receive a prevented planting guarantee as follows.

IF a producer is prevented from planting and...	**AND the producer...**	**THEN the prevented planting guarantee will be...**
1. plants no other crop	...	75 percent of the production guarantee except: 52.5 percent for cotton and rice 60 percent for hybrid seed corn
2. plants an approved 0/92 cover crop (including acreage enrolled in 0/92 or 50/92)	certifies that the cover crop will not be used for harvest, haying or grazing	75 percent of the production guarantee except: 52.5 percent for cotton and rice 60 percent for hybrid seed corn
3. plants an approved 0/92 cover crop (including acreage enrolled in 0/92 or 50/92)	plans to hay or graze the cover crop	50 percent of the production guarantee except: 35 percent for cotton and rice 40 percent for hybrid seed corn
4. plants a subsequent crop for harvest (that is any crop except the crop which was prevented from being planted or except an approved 0/92 cover crop as noted in item #2 above.)	...	25 percent of the production guarantee except: 17.5 percent for cotton and rice 20 percent for hybrid seed corn

5. MGR-95-024 stated approved small grain cover crops and small grain mixtures shall not be hayed or grazed at any time even if emergency haying and grazing is authorized. Use CFSA's definition of small grains and small grain mixtures when determining if haying and grazing is authorized. Reinsured companies should contact the appropriate Regional Service Office or industry trade organization for additional information.

Eligible Prevented Planting Acreage:

6. Insurance providers are authorized to accept the producer's report of acreage as the basis for prevented acreage and forego pro-rating to eligible units and/or FSN's. Insurance providers are responsible for assuring that the prevented acreage plus acreage planted to the crop does not exceed the maximum number of eligible acres.

7. Policy provisions require that the producer request, by the sales closing date, a "written agreement" or "agreement in writing" to increase maximum eligible prevented acres. This provision is liberalized by this bulletin. A timely signed and completed acreage report may be considered as the request for increasing eligible acreage. Care must be used to determine if the insured had the means to plant the acreage reported as prevented from planting. Purchase of seed, chemicals, availability of equipment, etc. should be considered in making this determination.

8. A timely signed and completed acreage report may be considered as the basis for determining eligible acreage for new producers, new program participants, and producers with land rented or purchased for the 1995 crop year growing non-program crops. Their acreage is eligible for prevented planting coverage even though the crop does not have an acreage base, was not planted to the insured crop the previous crop year, and does not have acreage that was used to establish the yield for which coverage is based. This is to assure that these producers are not adversely affected by prevented planting policy provisions that limit eligible acreage.

   Care should be exercised to determine if the insured had the means to plant the acreage reported as being prevented from planting. Purchase of seed, chemicals, availability of equipment, the date the land was purchased/rented, etc. should be considered in making this determination.

9. Acreage eligible under the prevented planting program will be limited to the maximum allowable under the Acreage Reduction Program (ARP). Eligible acres not enrolled in the ARP will be limited by policy provisions and applicable paragraphs of this bulletin.

   Local CFSA offices allow producers who have both a corn and grain sorghum crop acreage base (CAB) to plant any combination of those crops up to their total corn and grain sorghum acreage base. In addition if only one crop (corn or sorghum) has a CAB, the other crop can be planted. For example, if a farm has as corn CAB, that CAB can be planted to sorghum.

   CFSA limits the planted acreage of crops participating in ARP to the crop's CAB less any required set-a-side. In addition, producers may also plant up to 25 percent of another participating crop's program base (flex acres). The increased planting of one crop must be offset by a corresponding decrease in planting of the other crop. For example, a producer may plant to wheat an amount equal to the wheat CAB plus up to 25 percent of the corn CAB. However, the planting of corn must be decreased by a corresponding acreage.

The maximum acreage (all farm serial numbers) allowed by CFSA may be used to determine eligible prevented planting acreage supported by the policyholder's planting intentions as listed on a timely signed and completed acreage report. For example, a producer with a 100-acre corn base, minus 7.5 percent set aside, a 50-acre grain sorghum base, and 5 acres of eligible wheat base may qualify for 147.5 acres of prevented planting coverage for corn or grain sorghum. Insurance providers must assure that eligible prevented planting acreage is limited to the amount of permitted acreage base.

10. Only **one** prevented planting payment will be allowed for each acre for the crop year.

Requirement to Insure:

11. If the alternative crop is not already insured, the catastrophic level of crop insurance must be obtained on the alternative crop by the acreage reporting date if that crop is of economic significance and insurable in the county unless the producer chooses to forego most USDA program benefits. (See Section 4 Paragraph G(1)(c) of the CAT Handbook.)

United States Department of Agriculture | Consolidated Farm Service Agency | Office of Risk Management | Washington, D.C. 20250

February 7, 1997

BULLETIN NO.: MGR-95-029

TO: All Reinsured Companies
CFSA Texas State Office
All Risk Management Field Offices

FROM: Kenneth D. Ackerman
Acting Deputy Administrator

SUBJECT: 1995 Loss Adjustment Deviation Approval for South Texas Cotton

BACKGROUND:

Producers in South Texas are in the midst of a drought that has severely impacted agricultural production. Although most of the corn and grain sorghum will be carried to harvest, cotton acreage that has failed or partially failed may be better put to another use prior to harvest. Risk Management has reviewed conditions in four South Texas counties to assess the request that the Consolidated Farm Service Agency approve an immediate appraisal deviation for the 1995 crop year.

In addition to the drought there has also been a dramatic increase in damaging insects this year, requiring additional applications of insecticide, and significantly raising the cost of continuing production. In a "normal" crop year, appraisals would be made via the stand reduction method until around July 15. The stand reduction method uses a plant count to determine potential production; however, this method would result in an appraisal far above the actual potential of this South Texas cotton crop. Although the cotton plants appear healthy in many of the fields, non-irrigated plants are shorter than usual and boll size and count on irrigated and non-irrigated cotton has been significantly reduced.

ACTION:

Effective immediately, insurance providers are authorized to use the boll count appraisal method for cotton in Cameron, Hidalgo, Starr, and Willacy Counties Texas. In recognition of the reduced boll size due to drought, green bolls will be counted at 500 per pound instead of the currently approved 250. Include: 1) only immature green and unopened bolls that will contribute to the ultimate yield at the time of harvest; and 2) only harvestable bolls that can be mechanically harvested by the intended method of harvesting, picker or stripper. Open bolls will be counted according to existing procedure. This deviation is effective for the 1995 crop year only.

During the review of crop conditions in the four county area, several cotton fields were noted with heavy weed infestations in contrast to most of the acreage inspected. Producers who failed to care for their crop in accordance with the policy should be assessed for poor farming practices using approved procedures.

Specific instructions for adjusters:

1. Verify that insurable causes have contributed totally to the reduced boll size and the reduced number of bolls to count. Otherwise, uninsured causes are to be applied.

2. Refer to this Bulletin number in the "Remarks" section of the appraisal worksheet for authorization to use this deviation.

3. Apply this deviation for appraisal from the effective date through the end of the crop year for the four counties.

Insurance providers are reminded to exercise close supervisory controls over the application of this deviation. As a reminder, "drought" can not be the cause for reduced boll size and numbers to count when the cotton is irrigated.

United States Department of Agriculture | Consolidated Farm Service Agency | Office of Risk Management | Washington, D.C. 20250

BULLETIN NO.: MGR-95-031

TO: All Reinsured Companies
CFSA Headquarters, Program Delivery and Field Operations
All Risk Management Field Offices

FROM: Kenneth D. Ackerman
Acting Deputy Administrator

SUBJECT: Acreage Reports Due July 15, 1995 and Acceptance of Applications for Subsequent Crops

BACKGROUND:

In response to excessive rainfall that prevented producers from meeting normal planting requirements in certain areas, Secretary Dan Glickman announced changes to 1995 prevented planting provisions. The combined effects of the delay in planting and changes in the insurance program may cause insurance providers and farmers in the affected areas to be unable to meet acreage report filing deadlines.

ACTION:

The actions listed below may be taken for the following states: Arkansas, Colorado, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Tennessee, Texas and Wisconsin.

Insurance Providers may accept acreage reports through July 31, 1995, without performing crop inspections for **all** 1995 crop year spring planted crops with a July 15, 1995, acreage reporting date.

Insurance providers are authorized to utilize a register to record a producer's timely intent to secure CAT coverage for subsequent crops that may have been planted as a result of prevented planting of the originally insured intended crop. The register must include the producer's name and signature, social security or tax identification number, and a list of the subsequent crops planted. The producer must pay the $50 processing fee for each crop (if applicable) at the time the register is signed. All applications for CAT coverage of subsequent crops must be documented on a timely signed application or register by July 15, 1995.

July 20, 1995

BULLETIN NO.: MGR-95-032

TO: All Reinsured Companies
All Risk Management Field Offices
CFSA Headquarters, Program Delivery and Field Operations

FROM: Kenneth D. Ackerman
Acting Deputy Administrator For Risk Management

SUBJECT: Termination of the Kansas/Colorado/Missouri/Nebraska Wheat Appraisals Monitoring Review

BACKGROUND:

The wheat monitoring review was initiated in response to allegations that loss adjusters were releasing freeze damaged wheat with inaccurate appraisals. The review objective was to find out if contracted loss adjusters and/or persons assigned loss adjustment responsibilities for both the Consolidated Farm Service Agency (CFSA) and the reinsured companies were appraising in accordance with approved appraisal methods. Manager Bulletin MGR-95-018 dated June 9, 1995, outlined procedures to be followed and logistical details.

The wheat was damaged by freeze in Western Kansas, Southeast Colorado, and Nebraska in early April followed by hailstorms and a cool wet growing season in May. Flood and excessive precipitation were the predominate causes of loss in Missouri. Many areas within the monitoring region experienced excessive losses with wheat yields reduced 75 to 100 percent. To date, 10 to 15 percent of the unharvested wheat units submitted for review were selected for reappraisal. The review revealed that loss adjusters were generally following approved appraisal methods with less than 2 percent of the units selected requiring some corrective action.

ACTION:

Effective today, the monitoring review of wheat appraisals has ended. Companies and CFSA offices are no longer required to fax the crop worksheets into the Kansas City Risk Compliance office (KCRCO). Issues concerning loss adjustment will be reviewed on a case by case basis with some selected areas targeted for follow-up review. The KCRCO will notify those companies and CFSA offices involved. Contact the KCRCO should you have any questions at (816) 926-7963.

United States Department of Agriculture
Consolidated Farm Service Agency
Office of Risk Management
Washington, D.C. 20250

February 7, 1997

BULLETIN NO.: MGR-95-033

TO: All Reinsured Companies
CFSA Texas State Office
All Risk Management Field Offices

FROM: Kenneth D. Ackerman
Acting Deputy Administrator

SUBJECT: 1995 Approval To Use Boll Counts in the San Angelo, Texas Area

BACKGROUND:

The cotton crop in the San Angelo area of Texas has been attacked by beet armyworms, the production potential extensively decreased, and additional damage expected if recently approved chemicals do not provide effective control.

Cotton acreage that has failed or partially failed may be better put to another use prior to harvest. Extension specialists have indicated that producers who destroy the damaged crop, or otherwise put damaged acreage to another use, will be aiding the control of the armyworms and boll weevils in the infested area. Risk Management has reviewed conditions in and around the San Angelo area to assess the request to approve the immediate use of the boll count method to appraise production potential.

In a "normal" crop year, appraisals would be made via the stand reduction method until around October 1. The stand reduction method uses a plant count to determine potential production; however, this method could result in an appraisal above the actual potential of the affected cotton crop.

ACTION:

Effective immediately, insurance providers are authorized to use the boll count appraisal method for cotton in Coke, Coleman, Concho, Irion, McCulloch, Runnels, Schleicher, and Tom Green Counties Texas. Green bolls will be counted at 250 per pound of lint in accordance with existing procedure. Include: 1) only immature green and unopened bolls that will contribute to the ultimate yield at the time of harvest; and 2) only harvestable bolls that can be mechanically harvested by the intended method of harvesting, picker or stripper. Open bolls will be counted according to existing procedure. This action is approved for the 1995 crop year only. Loss adjusters should refer to this Bulletin in the "Remarks" section of the appraisal worksheets to document the authority to use boll counts.

Loss adjusters are reminded to verify that insurable causes have contributed totally to the reduced production potential. Otherwise, uninsured causes are to be applied.

United States Department of Agriculture
Consolidated Farm Service Agency
Office of Risk Management
Washington, D.C. 20250

BULLETIN NO.: MGR-95-034

TO: All Reinsured Companies
CFSA Headquarters, Program Delivery and Field Operations
All Risk Management Field Offices

FROM: Kenneth D. Ackerman
Acting Deputy Administrator

SUBJECT: Pilot Program for Intended Acreage Reports

BACKGROUND:

There is interest in streamlining the acreage reporting process by having the insured certify acres of a crop intended for planting at the time of application or production reporting.

ACTION:

1 An intended acreage report process is authorized as a pilot program. Participation on the part of insurance providers and agents is voluntary. The pilot program will be continuously monitored and may be made permanent or withdrawn at any time. All participants must assist in evaluating its effectiveness for reducing costs, simplifying paperwork, and avoiding vulnerabilities in program administration and determining accurate premium and indemnity amounts.

2 Following are the required conditions to participate in this pilot program:

A Insurance providers must provide instructions to the insured which indicate at least the following:

-- the insured is responsible for reviewing, by unit, the summary and submitting changes to the agent/insurance provider when any acreage has been late-planted; planted earlier than the Initial Planting Date (IPD), if applicable; prevented from planting; or there are corrections in acres, share, varieties, practices, types, additions/deletions of uninsured acreage, etc. Insureds must also provide specific legal descriptions of late-planted, prevented planted, and uninsured acreage if applicable.

-- no action is necessary (on the insured's part) if all information on the summary is accurate.

-- if the insured fails to submit corrections by the final Acreage Reporting Date (ARD), coverage will be established from the intended acreage information and will be binding. Failure to provide accurate information could result in a reduction in indemnities.

B Insurance providers must include in their Plan of Operations (or submit an amendment) an outline of the intended pilot program. The outline must contain at least the following:

-- Crops, areas, etc., to be included under this pilot.

-- The expected benefits from using this method of reporting.

-- A quality assurance plan to evaluate the pilot program and to identify any program vulnerabilities found in using this method of acreage reporting. Include your methodology for measuring and comparing the experience of the pilot program to previous year(s) acreage report administrative experience in the pilot area. Data from the previous 2-3 years acreage report administrative experience (for same area and crops as the pilot program) should be used as a benchmark for comparing the same type of information for the year or years of the pilot program.

Note: The evaluation should include at least the following items: (1) number of insured/agent complaints or problems associated with acreage information reported or the reporting process itself, (2) number of revised acreage reports as a result of changes to the intended reported acreage information, (3) controversial claims resulting from intended acreage report data, (4) acreage report review results, (5) cost of processing acreage reports, and (6) time spent obtaining and processing acreage reports.

C All Data Acceptance System (DAS) edits, policy, and procedural requirements apply. The insurance provider will be responsible for assuring that the pilot program will be administered in a way that the information collected and submitted through the DAS is as accurate as if it had been collected using the traditional method of obtaining acreage reports. Note: New DAS codes are being developed for the acreage report record in order to identify the policies where this method of reporting has been used.

D Summaries of Protection (Schedules of Insurance or other document), hereafter called summary, generated from the intended acreage report must be issued to each policyholder no earlier than 30 days prior to the final ARD.

E Intended acreage report information CANNOT be reported to the FCIC DAS prior to the earlier of confirmation from the policyholder after planting or the final ARD.

F By January 15 of each year, participating insurance providers must submit the evaluation results to Delivery System Services along with any suggested or recommended changes to be made in the operating procedures or evaluation method.

G Delivery System Services will review the Plan of Operation and proposed evaluation plans for sufficiency and will advise the insurance provider of approval or rejection to participate.

United States Department of Agriculture
Consolidated Farm Service Agency
Office of Risk Management
Washington, D.C. 20250

BULLETIN NO: MGR-95-035

TO: All Reinsured Companies
CFSA Headquarters, Program Delivery and Field Operations
All Risk Management Field Offices

FROM: Kenneth D. Ackerman
Acting Deputy Administrator

SUBJECT: 1996 Maximum Price Elections for Wheat, Barley, Oats, and Rye

The Federal Crop Insurance Corporation (FCIC) today announced the maximum price elections for 1996 crops are as follows (all prices are per bushel): other wheat - $3.55; durum wheat - $4.10; feed barley - $2.15; malting barley - $2.65; oats - $1.50; and rye - $2.75. These price elections are available to producers who elect additional coverage for their 1996 crops(s). Producers who choose the CAT level will be insured at 60 percent of these maximum values (except malting barley, which may not be insured under CAT). Price election choices must be made on or before the sales closing date for the crop in a county.

The preliminary price elections previously announced were $3.15 for other wheat, $2.00 for feed barley, $1.40 for oats, and $2.60 for rye. Because the market price elections are all higher than their preliminary price elections, producers who originally elected the preliminary price will be impacted. Eligibility for level of subsidy is based on the market price, so anyone using the preliminary price election may receive a lower level of subsidy unless changed prior to the contract change date.

The price elections for CAT coverage are as follows: other wheat - $2.13; durum wheat - $2.46; feed barley - $1.29; oats - $0.90, and rye - $1.65.

United States Department of Agriculture
Consolidated Farm Service Agency
Office of Risk Management
Washington, D.C. 20250

BULLETIN NO.: MGR-95-036

TO: All Reinsured Companies
All Risk Management Field Offices
CFSA Headquarters, Program Delivery and Field Operations

FROM: Kenneth D. Ackerman
Acting Deputy Administrator For Risk Management

SUBJECT: Liberalization of the Coarse Grains Crop Provisions for the 1995 Crop Year Only regarding Loss Adjustment Procedure for Corn insured as Grain but harvested as Silage

BACKGROUND:

The Coarse Grains Crop Provisions and Corn Handbook require that harvested production to count for corn acreage insured as grain but harvested as silage be based on the harvested silage production. The Federal Crop Insurance Corporation (FCIC) has received numerous requests to reconsider this position.

ACTION:

This bulletin invokes the liberalization provisions contained in section 5 of the Common Crop Insurance Policy. For the 1995 crop year only, production to count for acreage insured as grain but harvested as silage will be determined as follows:

1) Any insured who intends to harvest silage from acreage insured as corn for grain must notify the insurance provider of this intention before harvest. Insureds are to be immediately advised of their responsibility to notify their insurance provider if they intend to harvest silage from any corn acreage insured as grain. Upon notice, grain appraisals will be made to determine production to count, consistent with the way such determinations were made for the 1994 crop year.

2) FCIC is authorizing either grain appraisals or harvested grain yields from neighboring fields representative of the acreage to determine production to count, for any insured who harvested silage from any corn acreage insured as grain, provided the insured did not request a grain appraisal or did not leave representative unharvested samples. This authority is limited as set forth in item 3 below. Appraisals made by other insurance companies or the Consolidated Farm Service Agency (CFSA) on neighboring fields may be used for this purpose.

3) Any corn indemnity already paid/completed for an insured who harvested silage from any corn acreage insured as grain may be reopened by the insurance provider for the 1995 crop year to make the following adjustments:

   a) If the insured was not advised prior to harvest that a grain appraisal was necessary, use either grain appraisals or harvested grain yields from representative neighboring fields. Insurance providers must maintain complete records of these situations and place such documentation in the insured's file.

   b) If the insured was advised prior to harvest that a grain appraisal is necessary, and the insured did not request a grain appraisal, or did not leave two or more representative unharvested strips per field if authorized to do so, such acreage will be considered put to another use without consent. Appraised production for such acreage will not be less than the production guarantee.

United States Department of Agriculture
Consolidated Farm Service Agency
Office of Risk Management
Washington, D.C. 20250

BULLETIN NO: MGR-95-037

TO: All Reinsured Companies
CFSA Headquarters, Program Delivery and Field Operations
All Risk Management Field Offices

FROM: Kenneth D. Ackerman
Acting Deputy Administrator

SUBJECT: Raisin Monitoring Program

BACKGROUND:

Several complaints have been received regarding incorrect application of raisin loss adjustment practices and procedures. The areas of most concern involve the handling of raisins sold as salvage that are later reconditioned; the prices obtained for raisins sold for salvage and the methods used for establishing tray weights and field discards.

ACTION:

The Risk Management Sacramento Compliance Office (RMSCO) will initiate a review to monitor 1995 raisin loss adjustment. The review will: (1) determine if the raisins can feasibly be reconditioned before releasing the raisins to be disked or sold as salvage; (2) if the highest salvage price was obtained; (3) if accurate tray weights and field discards are being established. To determine that applicable approved procedures are followed, RMSCO will monitor reinsured company and Consolidated Farm Service Agency (CFSA) raisin loss adjustment. RMSCO in cooperation with reinsured company and CFSA field representatives, will supervise this initiative.

Effectively immediately, all reinsured companies and CFSA offices will begin mailing/faxing the raisin proof of loss to the RMSCO.

Note: No production can be released to be disked or sold as salvage use until approval has been given by the RMSCO.

Verification of intended disposition and valuation of damaged raisins will be conducted by reinsured company and CFSA field supervisor/representatives and monitored by RMSCO personnel for accuracy. Attached is an outline of the procedures and performance tolerance to be followed during the review. The RMSCO will be responsible for the logistical details to these procedures.

Steps to follow during the Raisin Claim Monitoring Program:

1. Companies will inform loss adjusters (for raisins to be disked or sold as salvage) not to finalize claims (do not release raisins to be removed or disked) at the field level. These claims should be finalized at the company level. Loss adjusters should advise insureds to keep the raisin trays intact until they are released by the company.

2. Companies will provide RMSCO with raisin proof of loss via mail or fax at the following address:

   USDA/Risk Management Compliance Office (RMSCO)
   1303 J Street, Suite 460
   Sacramento, California 95814
   Phone Number: (916) 498-5288
   FAX Number: (916) 498-5396

   RMSCO will review the proof of loss upon receipt and notify the reinsured company and CFSA within one (1) business day which policies have been selected for review. Proof of losses received after 3:00 p.m. will be reviewed the next business day.

3. Companies are permitted to finalize the claims for those polices not selected for review once notified by RMSCO.

4. RMSCO will coordinate and monitor reviews with company CFSA field supervisors/representatives within two business days of policy selection and company notification. Companies should provide RMSCO with the name and location of field supervisors/representatives (point of contact) who will be responsible for conducting reviews.

5. RMSCO should be notified of quality control reviews conducted by the companies and CFSA, and be provided a copy of the findings.

The tolerance policy for determining when a claim determination is unacceptable will be as follows:

(1) FCIC-approved policies and procedures <u>were not</u> followed, resulting in a difference of any indemnity amount between the original determination and the reappraisal determination.

(2) FCIC-approved policies and procedures <u>were</u> followed:

When a indemnity difference the lesser of $1,500 or 10 percent per unit exists between the original determination and the reappraisal determination.

When a unit is reviewed and found to contain a determination that is unacceptable, it will be defined to be incorrect. All differences in a unit loss determination defined to be incorrect will be corrected by the adjusting organization.

Bulletin NO.: MGR-95-038

TO: All Reinsured Companies
CFSA Headquarters, Program Delivery, Field Operations
All Risk Management Field Offices

FROM: Kenneth D. Ackerman
Acting Deputy Administrator

SUBJECT: Secretary's Letter to Producers Urging Them to Consider Buy-Up and Contact A Private Crop Insurance Agent

On September 18, 1995, the Secretary sent a letter to farmers who purchased catastrophic policies for fall crops from the Farm Service Agency (FSA). The letter compares policy options, urges producers to consider buy-up coverage, and provides a list of local private insurance agents.

Similar letters will be mailed to producers with crop subject to later sales deadlines.

Attachments

(NOTE: Attachments are unavailable in either WP6.0 or text format)

United States Department of Agriculture
Consolidated Farm Service Agency
Office of Risk Management
Washington, DC 20205

BULLETIN NO.: MGR-95-039

TO: All Reinsured Companies
CFSA Headquarters, Program Delivery and Field Operations
All Risk Management Field Offices

FROM: Kenneth D. Ackerman
Acting Deputy Administrator

SUBJECT: Clarification of 1995 Crop Year Prevented Planting Coverage

ISSUE #1:

Manager's Bulletin **MGR-95-028** issued on June 27, 1995, announced changes in prevented planting coverage for the 1995 crop year. Producers and insurance providers have expressed concerns that the late changes created confusion in the proper reporting of prevented planting acreage. As a result, prevented planting acreage was reported incorrectly on acreage reports.

ACTION:

For 1995 crop year **prevented planting only,** if an insured did not properly report a crop as being prevented from planting on the acreage report, insurance providers are authorized to accept the number of prevented planted acres for the crop in accordance with **MGR-95-028 and R&D-95-033,** including revising acreage reports to reflect the correct amount of acreage for each prevented planting unit for the crop. Note: To assure revisions are not being requested simply to maximize prevented planting benefits, insurance providers may not accept any revisions not supported by prior years' records. Insurance providers must take care in determining if the insured had the means to plant the acreage determined to be prevented from planting (**See MGR-95-028**). The acreage reports and claims may be processed in accordance with **R&D-95-033**. (Procedure for revised acreage reports for **PLANTED** acres have not changed.)

ISSUE #2:

Questions have been raised regarding whether an insured can receive a prevented planting production guarantee on acreage earning a deficiency payment under the so-called 0/85 and 50/85 provisions of the 1995 wheat, feed grains, upland cotton and rice programs authorized by the Agricultural Act of 1949. This acreage is reported to the Consolidated Farm Service Agency (CFSA) as conserving use (CU) for payment and is generally planted to cover crops.

Manager's Bulletin **MGR-95-021.1** issued on May 30, 1995, provided that farmers who have been prevented from planting a crop will be permitted to collect a prevented planting payment on the effected acreage if such acreage was also designated as prevented planted for payment under the 50/92 and 0/92 provisions of the 1995 wheat, feed grains, upland cotton and rice programs. In addition, the Federal Crop Insurance Corporation (FCIC) published Interim Rules in the Federal Register at Vol. 60, 29960 dated June 7, 1995, and Vol. 60, 35832 dated July 12, 1995, that indicate a producer may receive a prevented planting payment on such acreage receiving deficiency payments under the 50/92 or 0/92 provisions.

Bulletins and Informational Memorandums regarding prevented planting have been specific to prevented planting benefits and 50/92 or 0/92; however, they do not authorize prevented planting payments on 0/85 or 50/85 provisions.

ACTION:

Producers enrolled in the 1995 Acreage Reduction Program (ARP) for wheat, feed grains, cotton, and rice could voluntarily reduce their plantings of the crop and designate the acreage as CU for payment under the 0/50/85 provisions. (Cotton and rice producers were required to plant at least 50 percent of the acreage). The underplanted acreage maintained as CU for payment earns at least the minimum guaranteed deficiency payment on up to 85 percent of the maximum payment acres for the crop. The underplanting of acreage is voluntary and not due to prevented planting. Therefore, the acreage **is not** eligible for prevented planting insurance guarantees under the Federal crop insurance program.

The situations where a producer enrolled in ARP may earn a guaranteed deficiency payment on up to 92 percent (0/50/92) rather than 85 percent of the maximum payment acres and also qualify for a prevented planting payment are as follows:

1) Producers having an approved ASCS-574, Application for Disaster Credit, for prevented planted or failed acreage of the crop were allowed to designate prevented planted or failed acreage for payment. This acreage is eligible for prevented planting insurance guarantees under the Federal crop insurance program in accordance with MR-95-028.

2) Producers having an approved ASCS-574 for prevented planted or failed acreage of the crop were allowed to plant the acreage to a minor oilseed such as sunflowers or canola or to an industrial crop such as millet or crambe. The prevented planted acreage of the program crop **is** eligible for prevented planting insurance guarantees under the Federal crop insurance program in accordance with MGR-95-028. If the intended acreage of minor oilseed or industrial crop is also prevented and insurance is available for the crop (such as sunflowers or canola), a prevented planting insurance guarantee would **not** apply. In accordance with MGR-95-028, only one prevented planting payment will be allowed for each acre for the crop year.

3) Producers who voluntarily reduced the program crop plantings were allowed to plant minor oilseeds such as sunflowers or canola, or industrial crops such as millet or crambe, on the underplanted acres. The underplanting of the program crop is voluntary and not due to prevented planting. Therefore, prevented planting insurance guarantees **do not** apply to the program crop. However, if the intended acres of the minor oilseed or industrial crop are prevented from being planted and insurance is available for such crop (such as sunflowers or canola), a prevented planting insurance guarantee **is** available. The ASCS-578, Report of Acreage, will generally reflect only the minor oilseed or industrial oilseed as the initial crop designated for pay.

For a producer to declare acreage eligible for the provisions of 0/50/92, an ASCS-574 must have been filed and approved by the county committee. County committees are instructed not to approve an ASCS-574 unless preliminary efforts to plant the crop is evident (land disked, seed and fertilizer delivered or arranged for, etc.) All producers were notified to file an ASCS-574 within 15 calendar days after the final planting date for the crop.

Insurance providers should obtain the ASCS-578, Report of Acreage and CCC-477B, 1995 Participation Worksheet. These forms will aid in the proper determination of acreage that was designated as prevented planted, failed or voluntarily reduced planting.

United States Department of Agriculture
Consolidated Farm Service Agency
Office of Risk Management
Washington D.C. 20250

September 25, 1995

BULLETIN NO.: MGR-95-040

TO: All Reinsured Companies
CFSA Headquarters, Program Delivery and Field Operations
All Risk Management Field Offices

FROM: Kenneth D. Ackerman
Acting Deputy Administrator

SUBJECT: Clarification for Determining Effective Peanut Quotas When Adjusting Claims for Indemnity

BACKGROUND:

The Federal Crop Insurance Corporation has received several inquiries regarding the procedures used to establish the effective peanut quota for a farm when determining the indemnity. At issue is the confusion regarding loss adjustment procedure when a producer transfers quota from the farm prior to settlement of the claim.

The current Peanut Handbook (July 1995) instruction in Exhibit 4, page 15, paragraph e(1) states:

e (1) Final claims will be based on the lesser of:

(a) the effective poundage marketing quota reported on the acreage report for the unit; or

(b) the CFSA (ASCS) effective poundage marketing quota for the unit determined at the time of final claim.

ACTION:

Effective immediately the following language will replace the current handbook instructions:

e (1) Final claims will be based on the lesser of:

(a) the effective poundage marketing quota reported on the acreage report for the unit; or

(b) the CFSA (ASCS) effective poundage marketing quota for the unit, prior to any fall transfers (transfers occurring after July 31), as determined at the time of final claim. Hard copy documentation of fall transfers are to be obtained from the CFSA county office and retained in the policyholder's claim file.

Transfers of quota prior to August 1, may reduce the unit liability in accordance with existing procedure. This bulletin will remain in effect until the revised language is incorporated into the Peanut Handbook.

United States Department of Agriculture	**Consolidated Farm Service Agency**	**Office of Risk Management**	**Washington, D.C. 20250**

October 20, 1995

BULLETIN NO.: MGR-95-041

TO: All Reinsured Companies
CFSA Headquarters, Program Delivery and Field Operations
All Risk Management Field Offices

FROM: Kenneth D. Ackerman
Deputy Administrator for Risk Management

SUBJECT: Loss Adjustment Procedures for Potato Late Blight and Potato Decay

BACKGROUND

Several areas of the country are again experiencing varying degrees of damage to the potato crop due to conditions favorable to late blight infection and decay. Exceptionally hard hit are parts of the Pacific Northwest. For each of the past 3 years, the Federal Crop Insurance Corporation has issued loss adjustment procedures to handle late blight and decay. These procedures required insurance providers to inspect fields and obtain representative samples prior to harvest, except in heavily infested areas where the tubers are left in the field.

Insurance providers may not be able to make inspections or properly identify late blight and decay prior to harvest, because: (1) a large number of inspections are expected; (2) tubers may not show physical symptoms of late blight infection, and university pathologists indicate there is currently no laboratory analysis that can positively identify late blight on symptomless tubers; (3) most infected potato vines have been killed by freeze or chemical applications, thus restricting or precluding visual identification of areas from which tuber samples should be obtained; and (4) digging potato samples too soon after vine-kill may spread the late blight fungus from the sample vines to the tubers which could result in contaminated samples with inflated infection percentages.

ACTION

Insurance providers are to handle claims as follows whenever the conditions described above exist in a production region. Throughout these instructions, when assessing the percentage of potatoes infected by late blight or decay, the percentage of each is to be treated separately (not combined).

1. Notifications Required from Insurance Providers

   Insurance providers must advise all insureds to: (1) notify the provider of any potato fields that are suspected of being infected with late blight or decay, and (2) use Extension Service (ES) or local university recommendations for controlling the potato late blight and potato decay.

2. Notification Required from Insureds

Insureds must notify insurance providers prior to harvest of any fields that are suspected of being infected with late blight or decay. This is particularly critical if it is anticipated that there will be 5 percent or more of either late blight infection or decay of the tubers.

Failure to provide such notification may result in appraisals for uninsured causes of loss if it jeopardizes the ability of insurance providers to: (1) determine the percentage of infection, (2) ensure that heavily infested areas have been properly handled separately, or (3) determine that other recognized good potato farming practices have been followed to minimize the loss.

3. Field Inspections

A Insurance providers must inspect the fields prior to harvest to detect whether potato late blight and/or potato decay is in the field and to document the results of this inspection in the policyholder's file. However, if a heavy workload prevents the insurance provider from making a timely inspection prior to harvest, the inspection can be made during or immediately after harvest and representative samples can be obtained at that time. (See paragraph 4 D below, for documentation instructions.)

(1) If it is possible to determine during the inspections that there are heavily infested areas, these areas should be marked off and handled separately from the rest of the field. If the insured intends to harvest these areas separately from the rest of the field, insurance providers are to inform the insured to keep the production from infested areas separate from production from non-infested areas.

(2) If resources and conditions permit, the adjuster is to dig representative samples as indicated in B below. However, if vine kill prevents visual detection of vine infection and/or it has been recommended not to dig samples at this time to avoid spreading late blight fungus to the tubers, insurance providers are to use any practical means to verify the infestation (e.g., obtaining or verifying copies of chemical receipts and spraying records to substantiate efforts taken to control the fungus, etc.).

(3) If, at the time of the inspection, harvest has not occurred and no samples have been taken (or tubers from samples do not show physical symptoms of late blight infection), instruct the insured to notify the insurance provider of the date potatoes are harvested.

B Representative Samples

If symptoms are evident in the tubers, loss adjusters are to take representative samples from heavily-infested areas in which the potatoes are left in the field (or storage facility if this is an inspection of stored potatoes) to determine the percentage of late blight infection and/or decay in the tubers.

(1) If 5 percent or more of the sampled tubers are infected by either late blight or decay, the production from the sampled area may be considered zero.

(2) If less than 5 percent of the sampled tubers are infected by late blight or decay, a tuber-by-tuber appraisal must be made as outlined in approved potato loss adjustment procedure using non-decayed, non-infected tuber weights to determine production to count.

(3) If the tubers show no symptoms at the time of inspection, document this fact and inform the insured to notify the insurance provider immediately if symptoms of late blight or decay are subsequently discovered. Instruct the insured to notify the insurance provider immediately if symptoms become evident in stored potatoes within 60 days of harvest. Upon the insured's notification, the loss adjuster is to immediately obtain representative samples from infected lots of stored potatoes to verify and document the percentages of late blight and decay.

C Loss adjusters are to make every effort to complete the final inspection no later than 60 days after harvest. If tubers show no symptoms at that time and the potatoes are determined not to have 5 percent or more late blight or decay, adjusters are to finalize the claim as instructed by their insurance provider.

4. Other Loss Adjustment Considerations

A Waiver of Production Assessed for Early Digging

Some Special Provisions state that appraisals will be made for any reduction in production that resulted from harvesting prior to the date specified in the Special Provisions. Where this is the case, no additional production appraisal will be assessed on potatoes having 5 percent or greater incidence of late blight or decay that have been harvested before the date shown on the Special Provisions, provided the insured killed the vines (for late blight infected potatoes) and harvested early in order to minimize the effects of late blight or decay.

B Time Frame Allowed for Policyholders to Make Disposition of Stored Potatoes

If an insured elects to harvest tubers from areas with a 5 percent or greater incidence of late blight or decay, or where loss adjusters have documented that late blight fungus was in the field/unit prior to harvest, a period of 60 days from the time the potatoes are harvested may be authorized for the insured to make disposition of the affected tubers. At the end of the 60-day period, the insured must agree to either: (1) destroy such potatoes to qualify for zero production to count, or (2) accept the tuber-by-tuber appraisal that was made prior to harvest or completed at the time symptoms became apparent. Any harvested production that is disposed of through selling or processing will be counted as production.

C Insured's Awareness of Late Blight Problem in Previous Year

When preparing claims involving damage resulting from disease (e.g., late blight), loss adjustment procedure considers first year damage from disease to be unavoidable if the insured was unaware of the conditions at planting time. However, if it is determined that the insured was aware of the late blight problem in the preceding crop year but did not follow recognized good farming practices for the current crop year, some or all of the loss will be considered an uninsured loss. For example, failing to follow recognized good farming practices might include the following: (1) failure to adequately dispose of infected cull potatoes from the prior year's production in accordance with methods recommended by university or ES representatives, or (2) failure to apply appropriate fungicides.

NOTE: Insurance providers should promote an awareness of recommended production practices (including the use and application of appropriate fungicides) for the control of late blight and decay in potatoes by providing materials from the ES and/or local universities to their personnel.

D Documentation

Document, at the time of field inspections, phone contacts, and storage facility inspections:

(1) Date of each inspection or phone contact;

(2) Producer's management practices;

(3) Fields/units where late blight or decay was present;

(4) Extent of late blight and decay discovered (indicate the percentages of infection in any samples taken);

(5) Date of harvest;

(6) Date of storage; and

(7) Any other pertinent information.

United States Department of Agriculture | Consolidated Farm Service Agency | Office of Risk Management | Washington D.C. 20250

September 28, 1995

BULLETIN NO.: MGR-95-042

TO: All Reinsured Companies
CFSA Headquarters, Program Delivery and Field Operations
All Risk Management Field Offices

FROM: Kenneth D. Ackerman
Acting Deputy Administrator

SUBJECT: 1995 Prevented Planting Loss Adjustment Advisory

BACKGROUND:

This year the Federal Crop Insurance Corporation (FCIC) liberalized the prevented planting provisions of the crop insurance policy. These changes were made to provide producers with options which otherwise would not have been available due to participation in other farm programs. Additionally, FCIC provided producers the opportunity to request increased acreage over prior years via their acreage report rather than by written agreement. These changes signified the intent of the Department of Agriculture (USDA) to provide as much assistance as possible to producers adversely affected by the wet weather. In recent weeks, the Consolidated Farm Service Agency (CFSA) offices have received numerous complaints regarding possible abuses of the prevented planting assistance provided during 1995. As a result of these complaints, Risk Management personnel will aggressively monitor prevented planting loss adjustment. This bulletin is intended to remind loss adjusters and their supervisors of their responsibility to ensure that policy and procedure are administered uniformly for the 1995 crop year.

This memorandum does not change the approved loss procedures, but is intended to reinforce these procedures and provide a reminder of the changes made to prevented planting for 1995.

ACTION:

Insurance providers will ensure that loss adjusters are provided the information pertinent to determining the correct indemnity contained in Manager's bulletins; MGR-95-021.1, MGR-95-022, MGR-95-024, MGR-95-028, and MGR-95-039. These bulletins set forth the insurance policy revisions to 1995 prevented planting coverage.

Loss adjusters must ensure that producers had the means to plant acreage reported as prevented from planting. As evidence of the producer's intentions to plant the crop, loss adjusters must consider purchase of seed, chemicals, availability of equipment, the date the land was purchased/rented, etc. in making this determination.

Loss adjusters must adhere to the policy provisions as well as the procedures found in the above mentioned bulletins for determining eligible prevented planting acreage. Eligible acreage is restricted in many cases by the producer's participation in the Acreage Reduction Program. The policyholder's participation may be affected if he or she certifies prevented planting for crop insurance purposes on certain restricted crops, (e.g. generally, acreage designated as "conserving use for payment" or "CU for payment" under 0/50/92 provisions would preclude the producer's ability to plant soybeans on that acreage). Loss adjusters should thoroughly document any differences in crops and acreage reported for farm program participation and acreage reported for prevented planting payments under crop insurance.

Specific examples of prohibited prevented planting claims include:

> Receiving a prevented planting payment on the same acreage for fall and spring seeded crops.
>
> Receiving a prevented planting payment on a spring seeded crop after a fall seeded crop was planted and failed.
>
> Receiving a prevented planting payment for a program crop on acreage which was voluntarily reduced under 0/50/92 provisions in order to plant a minor oilseed or industrial crop. (A prevented planting guarantee <u>would</u> be available for insurable minor oilseeds that were intended for this acreage.)
>
> Receiving a prevented planting payment on a crop with a final planting date which falls after the final date for a subsequent crop (e.g. prevented planting corn showing a subsequent crop of spring wheat).
>
> Any prevented planting payment on acreage designated as "CU for payment" under 0/50/85 provisions.

Although changes to the prevented planting policy provisions were made in 1995 to assist producers who were adversely affected by the wet planting season, these changes were not intended to promote or permit abuse or fraudulent claims by producers or intended to extend benefits or indemnities for losses that did not occur.

October 27, 1995

BULLETIN NO.: MGR-95-043

TO: All Reinsured Companies
FSA Headquarters, Program Delivery and Field Operations
All Risk Management Field Offices

FROM: Kenneth D. Ackerman
Deputy Administrator

SUBJECT: 1996 County Crop Program Expansion

BACKGROUND:

The Federal Crop Insurance Corporation has expanded the number of counties where certain crops are insurable for the 1996 crop year. Attachment 1, 1996 County Crop Insurance Expansion, lists the fall and spring crop expansion by state and by county.

If a crop program is available in a county and the crop is "economically significant" to the producer, at least catastrophic risk protection must be obtained to maintain linkage. All farmers, even farmers who have never participated in the Department of Agriculture production adjustment programs, need to be aware of these changes for the 1996 crop year.

SUMMARY:

Insurance Providers must advise producers of the expanded county crop programs for the 1996 crop year to allow producers the opportunity to evaluate whether the crop is economically significant to their farming operation and subject to linkage requirements.

Attachment

BULLETIN NO.: MGR-95-044

TO: All Reinsured Companies
All Risk Management Field Offices
FSA Headquarters, Program Delivery and Field Operations

FROM: Kenneth D. Ackerman
Acting Deputy Administrator

SUBJECT: Insurance Purchase Requirements and Prevented Planting Rules

The Secretary of Agriculture addressed two key issues that emerged during the first year of the new crop insurance program. The issues are: insurance purchase requirements and prevented planting rules. The proposed changes will require regulatory and legislative actions. This notice simply signals future policy directions for your consideration.

(1) INSURANCE PURCHASE REQUIREMENTS

BACKGROUND

Under the Federal Crop Insurance Reform Act of 1994 (Act), producers who expected to receive farm program benefits were required to buy crop insurance, if available, on crops of economic significance.

Throughout the 1995 sales season, the Farm Service Agency (FSA) received numerous concerns from producers and their elected representatives regarding the impact of this provision on small shareholders. In some cases, families have divided their shares into amounts as small as 1 to 5 percent for each shareholder. The crop insurance liability (the amount of indemnity to be paid if a total loss occurs) is often less than $500 and many of these individuals complained that it is unfair to require them to carry crop insurance and pay the $50 administrative fee for catastrophic risk protection (CAT).

The Act exempts producers from the crop insurance linkage requirement if the crop was not of "economic significance," which is defined by statute to mean that the crop's value did not exceed 10 percent of the value of all crops grown by the producer. Additionally, the regulations to implement the Act provide that economic significance would not be considered and linkage would not apply if the total expected CAT liability was less than or equal to the administrative fee of $50.

FSA issued Bulletin MGR-95-008 in March 1995, which provided guidance on restructuring the way producers receive the farm program benefits in order to avoid paying multiple administrative fees. Among other things, multiple owners have the ability under current rules to combine their interests into a single partnership and receive a single farm program payment. In this case, they would need to purchase only a single crop insurance policy and pay a single $50 processing fee. Many landowners; however, refuse to seek this relief because they prefer to receive individual benefits.

ACTION

The following changes have been proposed for spring planted crops for the 1996 crop year:

(1) Legislation will be requested for the 1996 crop year to increase the amount of liability considered to be economically significant from $50 to $500. This change would enable shareholders with less than $500 liability the option of not insuring their interest without compromising their participation in the farm programs.

(2) A single "joint venture" policy with one $50 administrative fee per crop per county would be made available to producers having an undivided share in a crop. This would satisfy linkage for all landowners who hold an undivided interest in land, subject to the following:

  (a) None of the landowners may hold any other interest for which they are required to obtain at least CAT. Producers with multiple farming interests would be required to purchase separate catastrophic coverage.

  (b) Total insurance liability for the combined landowners must be $2500 or less.

  (c) One landowner must receive indemnity payments under a designated tax ID number and distribute the indemnity payments to others sharing in the crop.

  Note: This option would not change how acreage reduction program benefits are shared; payments would still be made to the present tax ID.

  (d) All others sharing in the crop must agree on the landowner designated to receive indemnity payments.

  (e) All landowners qualifying under this provision must be listed as substantial beneficial interests without regard to the percentage of their actual interest in the policy.

  (f) Each landowner would continue to receive separate farm program payments.

(3) FSA is also proposing that owners of small undivided shares in tobacco be insured under a single insurance policy held by the holder of the marketing card. Tobacco producers will have the option of purchasing a single CAT policy to meet the linkage requirement.

(2) PREVENTED PLANTING

BACKGROUND

Several significant changes were made in prevented planting insurance coverage for the 1995 crop year, including: (1) Allowing a producer to receive both a crop insurance prevented planting production payment and a 0/92 or 50/92 program benefit; (2) Providing a prevented planting production payment equal to 25 percent of the guarantee for timely planted acreage when acreage that is prevented from being planted is subsequently planted to a substitute crop; and (3) Providing a prevented planting production payment equal to 75 percent of the guarantee for timely planted acreage when acreage that is prevented from being planted is not used for haying, grazing or the production of a substitute crop.

ACTION

The following changes have been proposed for prevented planting insurance under the Federal crop insurance program beginning with spring planted crops for the 1996 crop year. These program changes cannot be implemented for 1996 fall planted crops because the insurance contract change date has already passed. The 1996 fall planted crops will be covered as they were in the 1994 prevented planting provisions. CAT prevented planting payments on acreage that is planted to a substitute crop are statutorily prohibited. As a result, the statute would have to be amended to apply the substitute crop provision to the CAT coverage level.

(1) Allow a producer to receive a 0/92 or 50/92 program payment and a crop insurance prevented planting payment equal to 50 percent of the production guarantee for timely planted acreage (40 percent for hybrid corn seed and 35 percent for cotton, ELS cotton, and rice) when prevented planting acreage is not planted to a substitute crop. The Secretary proposes that this be included in both buy-up and CAT coverage for 1996 spring planted crops.

(2) Allow a producer to receive a 0/92 or 50/92 program payment and a crop insurance prevented planting payment equal to 25 percent of the production guarantee for timely planted acreage (20 percent for hybrid corn seed and 17.5 percent for cotton, ELS cotton, and rice) when prevented planting acreage is planted to an eligible substitute crop. An appropriate premium increase would be built into the base rate for this coverage. This change would be available only for buy-up coverage for 1996 spring planted crops.

(3) Provide a producer the option of excluding the added prevented planting benefit described in item (2). Producers who exclude the added benefit would not pay the increased premium rate.

(4) Convene a meeting of commodity groups, industry, and FSA representatives to reach agreement on changes for the 1997 crop year and beyond.

BULLETIN NO.: MGR-95-045

TO: All Reinsured Companies
FSA Headquarters, Program Delivery and Field Operations
All Risk Management Field Offices

FROM: Kenneth D. Ackerman
Deputy Administrator

SUBJECT: FCIC Board of Directors

BACKGROUND:

The Federal Crop Insurance Act requires the management of the Federal Crop Insurance Corporation (FCIC) to be vested in a Board of Directors. The Board consists of the Manager of the Corporation, the Under Secretary of Agriculture responsible for the Federal crop insurance program, one additional Under Secretary of Agriculture, one person experienced in the crop insurance business who is not otherwise employed by the Federal government, and three active farmers who are not otherwise employed by the Federal government. The three active farmers are to be policyholders and come from different geographic areas of the United States in order that diverse agricultural interests are at all times represented on the Board. The Board is appointed by, and holds office at the pleasure of, the Secretary of Agriculture.

ACTION:

On October 12, 1995, the Secretary of Agriculture announced his appointments to the FCIC Board of Directors:

Jack Kintzle, of Coggon, Iowa, has been active in the Iowa and National Corn Growers Association (NCGA) since 1979. He served as NCGA's president, first vice president, and vice president of NCGA's Government Relations Committee. He is also a member of the Iowa and American Soybean Associations and the Iowa and American Farm Bureau Federations. He further served as a chair of the Linn County, Iowa, Soil Conservation District.

Robert Webster is a cotton grower from Waynesboro, Georgia. He has a degree from Abraham Baldwin Agricultural College and is a member of the Southern Cotton Growers Association, the National Cotton Council and the Georgia Farm Bureau Federation. He also served on the Burke County, Georgia, County Board of Commissioners between 1977 and 1980 and on the Georgia Cotton Commission.

Frank Leo Muller is a partner in Joe Muller & Sons, a diversified farming operation in Woodland, California. He has a degree in agricultural and managerial economics from the University of California at Davis. He is a member of the Yolo County Land Trust, the Farm Bureau Federation, the Pacific Coast Producers Board of Directors and the California Custom Foods Board of Directors.

The insurance industry appointee is Michael Keeting of Marysville, Kansas. He is the owner of Keeting Insurance and Investment Company and a member of the Kansas Association of Insurance Agents and the Association of American Agriculture Insurers. He is past member of the Kansas Insurance Commissioner's Insurance Agents Advisory Council.

Other members of the Board include Eugene Moos, Under Secretary for Farm and Foreign Agricultural Services; Karl Stauber, Under Secretary for Research, Education, and Economics; and Kenneth D. Ackerman, FCIC Manager and Deputy Administrator for Risk Management in the Farm Service Agency.

United States Department of Agriculture | Consolidated Farm Service Agency | Office of Risk Management | Washington, D.C. 20250

BULLETIN: MGR-95-046

TO: All Reinsured Companies
FSA Headquarters, Program Delivery and Field Operations
All Risk Management Field Offices

FROM: Kenneth D. Ackerman
Deputy Administrator

SUBJECT: Proposed Rule for 1996 Crop Year Prevented Planting Coverage

BACKGROUND:

The Federal Crop Insurance Corporation (FCIC) proposes to revise prevented planting coverage by amending the following regulations:

General Crop Insurance Regulations,
    Hybrid Sorghum Seed and Rice Endorsements;
Hybrid Seed Crop Insurance Regulations;
Common Crop Insurance Regulations,
    Small Grains Provisions,
    Cotton Provisions,
    Extra Long Staple Cotton Provisions,
    Sunflower Seed Provisions,
    Coarse Grains Provisions.

This change is intended to expand prevented planting benefits beginning with crop year 1996 spring-planted crops.

SUMMARY:

Please review the attached advanced copy of the Proposed Rule which was placed on file for public inspection with the Federal Register today. Comments must be received by the cut-off date provided for in the published Federal Register version of this rule. Comments should be sent to Diana Moslak, Regulatory and Procedural Development Staff, Federal Crop Insurance Corporation, USDA, Washington, D. C. 20250. Hand or messenger delivery should be made to 2101 L Street, N.W., Suite 500, Washington, D. C.

Attachments - VIA OVERNIGHT MAIL

BULLETIN NO.: MGR-95-048

TO: All Reinsured Companies
FSA Headquarters, Program Delivery and Field Operations
All Risk Management Field Offices

FROM: Kenneth D. Ackerman
Deputy Administrator

SUBJECT:Notice of Specialty Crops under Research for 1996

BACKGROUND:

The Federal Crop Insurance Corporation (FCIC) will begin research studies in the 1996 fiscal year on the specialty crops listed below. The purpose of the crop research studies is to assist the Corporation in determining the feasibility of formulating crop insurance policies for new crops and to address the needs of specialty crop producers as expressed in the Federal Crop Insurance Reform Act of 1994.

New crop research follows the procedure outlined in the New Crop Program Development Handbook (FCIC 23010). A copy of the Handbook is available by request from the Office of Risk Management's Research and Evaluation BranchNew crop requests from growers and interested parties are evaluated using criteria in the handbook. To assist in this process, preliminary feasibility reports are prepared examining the costs and benefits associated with offering insurance on these specialty crops, risk management alternatives available to producers by region, and the potential problems associated with developing a viable insurance program. FCIC staff then evaluate risk profiles, availability and sufficiency of actuarial data,agronomic and horticultural suitability, and marketing dynamics. If a decision is made to proceed with development of an insurance product for the new crop then a field review and final feasibility study are completed. This covers all insurance functions necessary for a new product, including policy, rates, claim procedures,marketing and training. Final development of a new crop program is tested with apilot program offered in a limited area for a period of two or more years, followed with a post-pilot recommendation for or against conversion of the pilot to permanent program status.

For Fiscal Year 1996, research studies will begin on the following crops and crop groups:

Aquaculture	Beets
Buckwheat	Chili Peppers
Crambe	Garlic
Nut & Nut Trees	Olives
Sesame Seed	Tart Cherries
Artichokes	Cabbage

Cucumbers	Eggplant
Spinach	Pumpkin & Squash

Fresh Market Snap Beans
Citrus/Tropical Fruit & Trees

Preliminary feasibility reports on the crops listed below are now available and can be obtained from Vondie W. O'Conner, Jr., Chief, Research and Evaluation Branch, P.O. Box 419293, Kansas City, Missouri 64141. Telephone (816) 926-6343.

Asparagus	Avocados	Broccoli
Carrots	Cauliflower	Cantaloupe
Celery	Cherries	Christmas Trees
Hay	Honeydew	
Hops	Lettuce	Millet
Mints	Mushrooms	Nursery Crops
Pecans	Pineapple	Pistachios
Strawberries	Sweet Potatoes	Turfgrass Sod
Watermelon	Forage & Turfgrass Seeds	

ACTION:

Proposals for additional crops to study, comments on the crops named, and requests for the New Program Development Handbook (FCIC 23010) can be forwarded to Risk Management at the address listed above.

United States Department of Agriculture | Consolidated Farm Service Agency | Office of Risk Management | Washington, D. C. 20250

BULLETIN NO.: MGR-95-050

TO: All Reinsured Companies
All Risk Management Field Offices
All Others Interested in MPCI

FROM: Kenneth D. Ackerman
Deputy Administrator

SUBJECT: Draft Amendment to the 1995 Standard Reinsurance Agreement

BACKGROUND:

On June 27, 1995, the Federal Crop Insurance Corporation (FCIC) issued Bulletin No. MGR-95-035 to announce changes in the prevented planting provisions for the 1995 crop year. These changes to crop insurance policies occurred after private insurance providers executed the Standard Reinsurance Agreement with FCIC. As a result, the private insurance providers' underwriting results may have been affected. FCIC is issuing this amendment to shift additional losses incurred as a result of the prevented planting changes.

ACTION:

FCIC proposes this amendment to the 1995 Standard Reinsurance Agreement to address additional prevented planting losses. This amendment provides the following:

1) Section II.B. incorporates language for determining a reinsured company's retention of prevented planting ultimate net losses;

2) Section IV.B. was amended to include additional expense reimbursement payable to a reinsured company;

3) Section V.B.5. was amended to extend the due date of any uncollected premiums with the October 1 billing date from November 30, 1995 to December 29, 1995.

This draft amendment is being issued for comment. FCIC requests comments be submitted by November 28, 1995 and sent to:

<u>REGULAR MAIL</u>
Federal Crop Insurance Corporation
Office of the Deputy Administrator
for Risk Management
Attn: E. Heyward Baker
14th & Independence Ave. S.W.
Washington, D.C. 20250

<u>OVERNIGHT/UPS</u>
Federal Crop Insurance Corporation
Office of the Deputy Administrator
for Risk Management
Attn: E. Heyward Baker
2101 L Street, 5th Floor
Washington, D.C. 20037

If you should have any questions, please contact your Reinsurance Services Liaison Branch Account Executive.

Attachment

BULLETIN NO.: MGR-95-053

TO:	All Reinsured Companies All Risk Management Field Offices FSA Headquarters, Program Delivery and Field Operations
FROM:	Kenneth D. Ackerman Deputy Administrator
SUBJECT:	1996 Projected Market Price Elections for Corn, Grain Sorghum, Soybeans, and Corn Silage

The Federal Crop Insurance Corporation today announced the projected market price elections for 1996 crops:

Corn	$ 2.65 per bushel
Grain Sorghum	$ 2.50 per bushel
Soybeans	$ 6.75 per bushel
Corn Silage	$17.90 per ton

These price elections are available to all producers of corn, grain sorghum, soybeans, and corn silage who insure their 1996 crop(s) at levels above catastrophic coverage. Price election choices must be made on or before the sales closing date for the crop in a county.

The preliminary price elections were $2.45 per bushel for corn; $2.30 per bushel for grain sorghum; $5.80 per bushel for soybeans; and $16.70 per ton for corn silage. Because the projected market prices are all higher than the preliminary price elections, producers originally electing the preliminary price will be impacted. The market price election is used to determine subsidy levels. When the market price is set at a level higher than the established price, the level of subsidy changes. Producer fees and exclusion of hail and fire provisions also may be affected.

The prices for catastrophic coverage are:

Corn	$ 1.59 per bushel
Grain Sorghum	$ 1.50 per bushel
Soybeans	$ 4.05 per bushel
Corn silage	$10.74 per ton

BULLETIN NO.: MGR-95-054

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Kenneth D. Ackerman /s/ Michael Hand 12/28/95
Deputy Administrator

SUBJECT: Dollar Denominated Coverage Presentation and Premium Calculation Software for Crop Insurance Sales Agents

BACKGROUND:

The Federal Crop Insurance Reform Act of 1994 requires that "Not later than the beginning of the 1996 crop year, the Corporation shall provide producers with information on catastrophic risk and additional coverage in terms of dollar coverage (within the allowable limits of coverage ...)."

In June 1995, Risk Management personnel were asked to provide software to automate the 1996 crop year actuarial worksheet calculations done by agents. This software was developed and released August 1, 1995. A second release of the software was planned to include capabilities to import the actuarial data electronically to eliminate the need to refer to the paper actuarial documents, thus further simplifying the premium calculation process necessary for presentation of an offer to a producer.

To address the legislative requirement, the worksheet automation software package has been expanded to allow a producer to request a range of desired premium payments per acre or various coverage levels per acre. The output for these requests are tables presenting the full range of premium costs and dollar coverage combinations that will allow a producer to make informed decisions on their risk management protection that best suits his/her situation.

The Premium Calculation software has been developed for use by crop insurance agents to assist them in presenting and comparing the full range of crop insurance options to a producer. Risk Management has an unlimited license which allows the software to be copied as many times as needed without charge.

Software capabilities, hardware requirements, and installation instructions are attached.

ACTION:

The Premium Calculation software and actuarial data are being distributed by Risk Management's Office of Research and Development. The Premium Calculation software is currently available on the Reporting Organization (RO) Server in Kansas City for downloading. Actuarial data should be extracted from the Actuarial Data Master (ADM) which is also available on the RO Server.

Reinsured companies have the option to download the Premium Calculation software and supporting ADM data and copy/distribute the software and data to their agents as needed or desired. Updates and enhancements will be provided periodically via the RO Server.

Call (816) 926-7910 for assistance with loading problems or software problems that are not covered by the on-line Help.

Attachments

FSA/Office of Risk Management
Premium Calculation Software, Version 1.0
Minimum Hardware/Software Requirements

1. Hardware: IBM PC or compatible, 386/486/Pentium processor.

2. Operating System: MicroSoft Windows 3.1 or newer.

3. Memory: At least 8 MB of RAM is recommended. The Premium Calculation software will run with 4 MB of RAM if the virtual memory option of Windows is used; however, the software's performance will be greatly impaired (slow).

4. Storage: The hard disk drive should have 16 MB of available space for the average user. The space requirements break down as follows:

The PowerBuilder and ODBC libraries and driver files used by the application use 7 MB. (The PowerBuilder library files are required to be loaded on any PC that does not already have PowerBuilder V4.0.02 installed.)

The Premium Calculation executable software, associated files, database, and backup database file take about 4 MB of disk space. The database will be deployed with cross-reference data already loaded (i.e., allowable state/county/crop/type/practice codes with definitions).

The optional Help file takes approximately 0.5 MB of disk space.

Another 2 MB of disk space should be allowed for loading the Actuarial Data Master (ADM) data into the database. Additional disk space may be required depending on the number of states and counties loaded.

The Premium Calculation software will read and load ADM data from a text data file provided by Risk Management. Another 2 MB of disk space is temporarily required for the ADM loading process. Additional disk space may be required depending on the number of states and counties contained on the text file. After the data has been loaded into the database, the file can be removed and the space made available.

NOTE: There are no restrictions on the number of copies of this application that can be made and distributed under the existing license held by Risk Management. However, any modifications to the source code (available upon request from the Actuarial Branch) must be made using a valid, licensed copy of PowerBuilder.

FSA/Office of Risk Management
Premium Calculation Software, Version 1.0
Software Capabilities Summary

The Premium Calculation Software being released by the Farm Service Agency's (FSA) Office of Risk Management (FCIC) is a Windows-based crop insurance sales tool for agents, and provides mandated dollar coverage presentation options. Features of the software include:

Tailored to agent needs with producer log and customized quote sheets.

Electronic actuarial data loading tailored to counties in which the agent sells.

Point-and-click screens with pull down selections and on-line Help.

Minimal data entry required for a quote, with data carried over to facilitate multiple units and effects of options.

Selection/presentation of price election and dollar coverage options (i.e., premium cost per acre, and coverage per acre).

Includes all published actuarial rates, prices, dates, options, factors.

Automated calculations including:

Liability (total and per acre);

Guarantee (total and per acre);

Premium (total and farmer-paid);

Subsidies and administrative fees.

Comparison of CAT coverage to all price/coverage possibilities.

FSA/Office of Risk Management
Instructions for Installing
Premium Calculation Software, Version 1.0

1 Insert the Premium Calculation Software Disk 1 into the 3-1/2" floppy drive.

2. Run the SETUP program on the diskette. (This example uses drive A - your floppy drive may be different.)

   From Windows Program Manager, choose FILE>RUN and type: a:\setup

   The Premium Calculation checkbox should be checked

   If on-line Help is desired, the Help File checkbox should be checked

   Check the 2 checkboxes for PowerBuilder DLL Files and PB/ODBC Files (These 2 checkboxes do not need to be checked if you have PowerBuilder Version 4.0.02 installed on your computer.)

   Click the OK button

   When prompted for creating the directory c:\premium, answer YES

   If on-line Help is being loaded, answer YES when prompted for creating the directory c:\premium\help

3. When the installation is complete, a new Program Group should be added (refer to your Windows documentation for assistance).

FSA/Office of Risk Management
Premium Calculation Software, Version 1.0
Instructions for Loading ADM Text Data

After the Premium Calculation software has been successfully loaded, the next step is to load the database (c:\premium\adm.db) with ADM data so the application can execute. The ADM text file is available to be downloaded from the Reporting Organization (RO) Server in Kansas City. The text file has to be loaded only one time to populate the database. However, as new releases of the Actuarial Data Master (ADM) file are made available on the RO Server, they should be downloaded into the Premium Calculation database. The Premium Calculation software requires the following ADM record types (as determined from column 1 of each ADM record):

1 - Yield, Dollar Amount, Guarantee, and Rate Data
2 - Rate Factors
3 - Dates
4 - Prices
7 - FCI-32 Classification Listings (Producer)
H - High Risk Factor Data
O - Option Data
M - Map Factor Data
R - Rate Class Option Data

(NOTE: It is very important that all of the ADM data be located in one text file before attempting to load the data into the Premium Calculation software database. Due to the large space requirements for the year-to-date ADM text file and the time required for the software to process and save the ADM data, we recommend that users create a smaller ADM text file that contains only the data for the desired counties/states.)

To initiate the database load process from the Premium Calculation software, select the "Database Transfer" sub-menu item from the "Administration" menu, or click on the "Data Xfer" button located on the toolbar. The "Database File Transfer" window will open and allow the user to enter the name of the ADM text file. The user can opt to load all of the valid data into the database (by selecting the "Full Load File" button) or to load only selected counties/states (by selecting the Partial File Load" button). Click the "Load File" button to start the load process. If the "Partial File Load" option was selected, the software will read the ADM text file and then allow the user to select desired counties/states before the database load is executed.