



United States Department of Agriculture

Farm and Foreign Agricultural Services
Risk Management Agency

October 1, 1999

BULLETIN NO.: MGR-99-036

TO: All Reinsured Companies
All Risk Management Agency Field Offices

FROM: Kenneth D. Ackerman /s/ Kenneth D. Ackerman
Administrator

SUBJECT: 2000 Crop Year Florida Fruit Tree Pilot Crop Insurance Program Revisions

BACKGROUND:

The Risk Management Agency (RMA) has revised the Florida Fruit Tree Pilot Crop Insurance Provisions for the 2000 crop year. The current pilot counties are Dade, Highlands, Martin, Palm Beach, and Polk. The contract change date was extended from August 31, 1999, to October 4, 1999. Many of the changes address providing coverage for Asiatic Citrus Canker (ACC), but other important changes were made as well. The major changes are:

1. ACC Coverage:
 - a. Coverage for citrus trees destroyed due to ACC is provided;
 - b. For ACC coverage to attach to citrus trees in counties with established ACC quarantine zones, an ACC Underwriting Certification is required from the Florida Department of Plant Industry (DPI). Dade County, Florida, is the only county for which ACC Underwriting Certifications are currently required;
 - c. Once a grove is covered for ACC, it retains coverage even if subsequently included in a quarantine zone (until the policy is canceled);
 - d. Groves failing to qualify for ACC coverage are covered for all other perils; and
 - e. ACC coverage is part of the standard policy, not an option.



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2. The insured no longer declares a dollar amount of protection, instead the insured must report the coverage election, number of trees, stage, and share.
3. Optional units are available by legal description and non-contiguous land consistent with the Florida Citrus Fruit Program.
4. The insured may choose different coverage options by crop.
5. The sales closing date is moved from November 15 to November 20 to be consistent with other perennial crops. Insurance coverage for policies carried over from the 1999 crop year will begin on November 16, 1999, for the 2000 crop year.
6. The definition for “excess moisture” is changed from a specific amount of rain in a specific number of hours to “rainfall in quantities sufficient to destroy the tree.” This language is consistent with other crops.
7. Premium is pro-rated for a partial year when sales occur after November 20.
8. The premium billing date is established as January 1, or in the case of applications submitted after the sales closing date (November 20), the first day of the second month after the application date.
9. There is now a 30-day waiting period between application and commencement of coverage. This does not apply to carryover policies except when the amount of protection is increased by more than 10 percent.

ACTION:

1. The 2000 crop year Florida Fruit Tree Pilot Crop Provisions have been placed on the RMA WebSites at:

<ftp://ftp.act.fcic.usda.gov/pub/Policies/2000/pilot/wpd>

<ftp://ftp.act.fcic.usda.gov/pub/Policies/2000/pilot/pdf>

Actuarial documents will be made available on the Reporting Organization (RO) Server as announced by separate RO Server Release.

2. DPI has established one or more ACC quarantine zones in Dade County and an ACC Underwriting Certification is required in order to initiate or increase ACC coverage in this county.
3. A revised Loss Adjustment Handbook, an Underwriting Guide and instructions for obtaining ACC Underwriting Certification will be released shortly.
4. The Florida Fruit Tree Pilot Crop Provisions (00-014) will be reinsured and administered under the Standard Reinsurance Agreement (SRA) as follows:
 - a. Designation of new policies to the assigned risk and the developmental funds will be made according to section II.B.1 and 2 of the SRA. However, because sales of these policies may occur all year, policies sold after the November 20 sales closing date may be designated not later than the transaction cutoff date for the week containing the 30th calendar day after the date of the insured's signature on the application.
 - b. Administrative and operating reductions on new policies for late-processed acreage reports will be made in accordance with section III.G. of the SRA. However, because sales of these policies may occur all year, the time periods specified in section III.G. for policies sold after the November 20 sales closing date will begin on the date of the insured's signature on the application.

DISPOSAL:

This bulletin is for the purpose of transmitting/updating information and the expiration date is December 31, 2001.