



United States Department of Agriculture

Farm and Foreign Agricultural Services
Risk Management Agency

BULLETIN NO.: MGR-99-038

TO: All Reinsured Companies
All Risk Management Agency Field Offices
All Other Interested Parties

FROM: Kenneth D. Ackerman /s/ 10-15-99
Administrator

SUBJECT: Emergency Loss Determinations for the 1999 Hurricane Damage in
North Carolina, South Carolina, and Virginia

BACKGROUND:

On September 16, 1999, Hurricane Floyd came ashore unleashing torrents of rain totaling 20 inches or more upon an area where Hurricane Dennis visited less than two weeks earlier. The one-two punch to North Carolina's, South Carolina's and Virginia's eastern counties has sent flood waters onto land that is expected to flood once every 500 years. In response to this catastrophic event, the Risk Management Agency (RMA) is authorizing emergency loss determinations to assist in the expeditious adjustment of losses and issuance of indemnity payments to insureds in the flood affected areas.

ACTION:

The following states and counties are the most severely affected by hurricane damage and are thereby authorized for this procedure.



1400 Independence Ave., SW • Stop 0801 • Washington, DC 20250-0801

The Risk Management Agency Administers and Oversees
All Programs Authorized Under the Federal Crop Insurance Corporation

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NORTH CAROLINA COUNTIES

Beaufort	Bertie	Bladen	Brunswick	Camden	Carteret
Chowan	Columbus	Craven	Cumberland	Currituck	Dare
Duplin	Edgecombe	Gates	Greene	Halifax	Harnett
Hertford	Hoke	Hyde	Johnston	Jones	Lenoir
Martin	Nash	New Hanover	Northampton	Onslow	Pamlico
Pasquotank	Pender	Perquimans	Pitt	Roberson	Sampson
Scotland	Tyrrell	Washington	Wayne	Wilson	

SOUTH CAROLINA COUNTY - Horry

VIRGINIA COUNTIES

Accomack	Charles City	Chesapeake	Greenville	Isle of Wight	James City
Northampton	Prince George	Southampton	Suffolk City	Surry	Sussex
Virginia Beach					

In response to the urgent need to help insured producers in recovering from widespread damage caused by the recent storms, the following actions are authorized for all crops (except nursery) in the counties listed above:

- 1) Reported acres certified on the Multiple Peril Crop Insurance Acreage Report may be used as determined acres for claim purposes unless:
 - a) Acceptable measured acres as defined in the Loss Adjustment Manual (LAM) is readily available (e.g., acreage determined during a previous inspection, insured provides an acreage measurement record).
 - b) Based on visual observations at the time of loss adjustment, it is determined the acres appear unreasonable. If it appears unreasonable, the acreage must be determined according to LAM procedure.
 - c) Companies are reminded that current loss adjustment procedure does not require the use of Farm Service Agency (FSA) documents, aerial photos, FSA-578, etc., to verify crop acreage or share. Area FSA Offices will be facing increased workloads during this period.

- 2) If the crop:
 - a) On the entire unit is totally destroyed (no potential that could be mechanically harvested), complete the claim with zero production to count (no appraisal worksheet is required).
 - b) For part of the unit (field(s) or subfield(s)) is totally destroyed, estimate the acreage in the field(s) or subfield(s) based on the certified acreage from the acreage report (accepted under 2), and complete the claim with zero production to count for the field(s) or subfield(s). No appraisal worksheet is required.
- 3) If the crop on the unit or part of the unit (field(s) or subfield(s)) is not totally destroyed (or can be mechanically harvested):
 - a) A minimum number of three samples per unit as long as the damage is consistent (or one per field or subfield if more than three fields) is required without regard to size of acreage.
 - b) Additional samples may be taken to assure accuracy of appraisals.
 - c) For field(s) or subfield(s), estimate the acreage in the field(s) or subfield(s) based on the certified acreage from the acreage report (accepted under 2 above).
 - d) Record the harvested and/or appraised production and complete the claim.
- 4) For cotton and tobacco, the stalk inspection may be waived or combined with the final inspection.
- 5) For tobacco:
 - a) Loss of electrical power to curing barns is an insurable cause of loss resulting from hurricane damage;
 - b) Estimate at the time of loss adjustment, the number of pounds of tobacco damaged by power outages or flooding in the curing barn or on farm storage facility that has zero value and cannot be properly weighed;
 - c) Use a certification statement in the narrative of the T-P-C Production Worksheet to waive the requirement to witness the destruction of tobacco damage caused by the hurricane;

- d) Use warehouse tickets to apply quality adjustment values to tobacco pounds flood damaged in the warehouse if insurable damage had occurred to the tobacco prior to the end of the insurance period; and
- e) Account for all production weighed in at the warehouse but not sold as production to count and value such production at the support price unless the producer provides a grade ticket that determines otherwise.

6) For peanuts:

Fall transfers of effective poundage marketing quota, prior to the end of the insurance period and the final claim for indemnity, will be permitted without any reduction to the insured's effective poundage marketing quota.

- 7) For sweet potato acreage affected by excess precipitation or flood waters occurring during the insurance period and soft rot becomes evident after the sweet potatoes are placed in storage, the extent of soft rot will be based on samples taken by the adjuster or a commercial grader. Any loss of production due to the soft rot at the time of final loss adjustment will be considered an insured cause of loss and all such claims should be completed in accordance with section 14(c) of the Common Crop Insurance Policy.
- 8) RMA will monitor and advise reinsured companies of actions to be taken if destruction of any insured crop is required due to substances or conditions identified by the Food and Drug Administration or other public health organizations of the United States as injurious to human or animal health due to contamination by flood waters.

DISPOSAL:

This Manager's Bulletin is for the purpose of transmitting information and the expiration date is April 1, 2000.

cc: AO, Stop 0801
IS, Stop 0805

RMA/IS/AJenkins/wcd/adw/690-4494/10-15-99