



**United States Department of Agriculture**

Farm and Foreign Agricultural Services  
Risk Management Agency

November 19, 1999

**BULLETIN NO.: MGR-99-042.1**

**TO:** All Reinsured Companies  
All Risk Management Agency Field Offices

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

**SUBJECT:** Issues Related to Crop Year 2000 Estimated Premium Discounts and  
the Nursery Crop Insurance Program

**BACKGROUND:**

Several issues have been raised relating to the implementation of the Fiscal Year 2000 Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act (PL1906). Bulletin MGR-99-042 announced the availability of premium discounts for crop year (CY) 2000 and provided implementation guidelines, including the establishment of an Application Period to Facilitate the Premium Discounts (Application Period).

The issues are: 1) whether a person may buy catastrophic risk protection (CAT) coverage after a crop's published sales closing date but during the Application Period; 2) how premium discounts will be administered for nursery producers who are currently insured for CY 2000 as well as those producers who are not currently insured; and 3) how coverage will be handled for the nursery growers who suffer losses during the 30-day waiting period and before coverage attached or during the time between application for and inception of the coverage provided by peak endorsements. (As a result of recent hurricanes and tropical storms in the Southeastern United States, some insureds have asked that they be permitted to withdraw or modify policy or peak endorsement applications because their operations have been so altered by the storms that the coverage may no longer be appropriate.)



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

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**ACTION:**

1. PL1906 specifically states that funding is provided to assist producers in purchasing additional crop insurance coverage. Therefore, CAT policies are not available during the Application Period if the published sales closing date for the crop has passed.
2. Nursery producers who:
  - A. Are not currently insured for CY 2000 may purchase CY 2000 coverage through May 31, 2000, and receive the premium discount. However, their nursery coverage will be subject to the normal pre-acceptance requirements and will begin 30 days after application.
  - B. Are currently insured for CY 2000 may increase their CY 2000 coverage level and price elections during the Application Period as authorized in MGR-99-042. These changes will be retroactive to the date on which CY 2000 coverage originally commenced. (Note that in some cases coverage commencement dates may have varied by practice.) These insureds will receive premium discounts and may receive indemnities based on the revised coverage level and price election. Changes in the Plant Inventory Value Report are **not** subject to this provision.
3. Nursery insureds who:
  - A. Suffer an insurable nursery loss during the 30-day waiting period after submitting a policy application may, with the consent of the insurance provider, withdraw that application or reduce the Plant Inventory Value Report.
  - B. Suffer an insurable nursery loss after submitting an application for a peak endorsement may, if the peak endorsement coverage period has not yet begun, and with the consent of the insurance provider, withdraw that application or reduce the Plant Inventory Value Report.

**DISPOSAL DATE:**

This bulletin is for the purpose of transmitting/updating information and the expiration date is December 31, 2000.