

# 2008 MINNESOTA ACTUARIAL UPDATE

## 11/30 FILING

**11/30 MN Crops/Programs:** APH/IP/RA Barley, APH/RA Canola, APH/CRC/GRP/GRIP/RA Corn, APH Dry Beans, APH Dry Peas, APH Flax, Dollar Forage Seeding, APH/CRC Grain Sorghum, APH Green Peas, YBD Hybrid Corn Seed, APH Oats, APH Popcorn, APH Potatoes, APH Processing Beans, APH/CRC/GRP/GRIP/RA Soybeans, APH Sugar Beets, APH/RA Sunflowers, APH Sweet Corn, APH/CRC/GRP/GRIP/IP/RA Wheat

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**COUNTY CROP EXPANSION:** None

**COUNTY CROP DELETIONS:**

- CANOLA: Aitkin, Cass, Crow Wing, Itasca, and Wadena counties.
- HYBRID CORN SEED: Blue Earth, Brown, Cottonwood, Faribault, Freeborn, Jackson, Martin, Nicollet, Redwood, Swift, Wabasha, and Watonwan counties.
- POPCORN: Redwood County
- SUNFLOWERS: Chippewa, Jackson, Kandiyohi, Lyon, Pipestone, and Renville counties.
- WHEAT: St. Louis County

**DATES:** No changes

**RATES:**

- FORAGE SEEDING: Rate review done; county rates are moving both higher and lower.
- POPCORN: Rate review done and target rates were lowered.
- SOYBEANS: Rate review done and new target rates established. Also expanded the number of counties with separate rates for irrigated and non-irrigated practices into the same counties that have separate rates for corn.
- WHEAT: New target rates established for all counties. Varying rate changes noted.
- Annual adjustment to reference yields and rates continued on some crops to move toward T-yields and target rates.

**STATEMENTS:**

- Discount Factors have been updated for crops with Quality Adjustment on the SPOIs.
- New Quality Statements on Special Provisions for BARLEY, CANOLA, CORN, FLAX, GRAIN SORGHUM, OATS, SOYBEANS, SUNFLOWERS and WHEAT.
- DRY BEANS:
  - Changed the SPOI statement for NIBR Black type to include two new varieties (Condor and Jet), and to remove the sales closing date deadline for varieties not listed.
  - Changed Cranberry type variety statement on SPOIs to include one new variety (Capri), and to remove the sales closing date request deadline for varieties not listed.
  - Changed White Kidney type variety statement on SPOIs to remove the sales closing date request deadline for varieties not listed.
- FORAGE SEEDING: Added a statement to the Special Provisions that limits the planting rate of nurse crops to half the normal rate.
- POTATOES: Added a statement to the Special Provisions that allows insureds to plant potatoes on the same acreage where the crop was planted the previous year, if the crop was destroyed before June 15 due to a cause of loss other than disease.
- SUGAR BEETS: Added a statement to the Special Provisions that allows insureds to plant sugar beets on the same acreage where the crop was planted the previous year, if the crop was destroyed before June 15 due to a cause of loss other than disease.
- SUNFLOWERS:
  - RA Plan only: Added Price Discovery statements to Special Provisions explaining how the projected harvest price and fall harvest prices are determined, and added a Price Discovery table to Special Provisions.

**PRACTICES:** No changes

**TYPES:** No changes

**T-YIELDS:**

- **POPCORN:** Review of T-yields resulted in 15% increases in both Blue Earth and Renville counties.
- **SOYBEANS:** Updated T-yields in all counties, and established separate irrigated and non-irrigated T-yields in the same counties where there are also different T-yields by practice for corn.
- **WHEAT:** T-yields updated for 2008 and are generally going up, with many counties increasing 15-25 percent.

**MAPS:**

- Minor changes to four counties: Brown and Wabasha counties have minor map boundary changes, and Big Stone and Renville counties have Township and Range labeling corrected. In addition all four counties have section lines added to urban areas.
- New rules pages for all maps.

**SUPPLEMENTS:**

- Incorporated most 2007 Written Agreements for high risk or unrated land into FCI-33 Supplements.
- Added a statement to Supplements that use a high risk area designation (e.g., AAA, BBB, etc.) as the assigned rate explaining how to use the high risk designation. In addition, the statement explains that the high risk transitional yield shown in the Transitional Yield table on the FCI-35 for the high risk area shown in the Supplement applies.

**OTHER:**

- GRP and GRIP FCI-35s for CORN, SOYBEANS, AND WHEAT have changes to Expected County Yields.
- Subsidy factors for GRIP crops have been changed.
- Hail and Fire Exclusion factors have been updated.
- The 80% and 85% coverage levels have been added to GREEN PEAS, POPCORN, PROCESSING BEANS, and SWEET CORN in all counties, and to FORAGE SEEDING counties in the southern two-thirds of Minnesota.
- FORAGE SEEDING: Maximum Reference Dollar Amount is up 21% to \$285.
- GREEN PEAS, POTATOES, AND PROCESSING BEANS have changed from GYC Plan 86 to APH Plan 90. The formatting of the FCI-35s looks like other Plan 90 crops, but the rating is still flat-rated as the premium rate will remain the same regardless of the insured's APH yield (the exponent is zero).
- POTATOES: Change in plan code to APH Plan 90 has caused the option factors for Certified Seed, Processing Quality, and Quality Option #2 to be changed to add-on rates that are shown in the "Additional Coverage, High Risk, and Map Area Rates" table.

*NOTE: This is not an official document. For all official changes, refer to the 2008 Crop Year Summary of Changes and Actuarial Documents for fall and spring crops.*