



United States  
Department of  
Agriculture

August 11, 2005

Risk  
Management  
Agency  
  
1400  
Independence  
Avenue, SW  
Stop 0801  
Washington, DC  
20250-0801

**INFORMATIONAL MEMORANDUM**

TO: All Reinsured Companies  
All Risk Management Field Offices  
All other Interested Parties

FROM: Clifton R. Parker /s/ *Clifton R. Parker*  
Acting Deputy Administrator  
for Insurance Services

SUBJECT: Modified 2005 APH Tolerance Reviews

Due to the favorable growing conditions throughout much of the U.S. in 2004, many policyholders have reported yields for 2005 that will trigger a mandatory Actual Production History (APH) tolerance review under Appendix IV of the Standard Reinsurance Agreement.

Several companies have indicated that the numbers of reviews to be performed are excessive and requested some form of relief for this year. The Risk Management Agency (RMA) has reviewed the accessible data for the 2005 crop year and has determined that some relief is warranted under these circumstances. Accordingly, for the **2005 reinsurance year (RY) only** the following criteria will apply:

Approved Insurance Providers must review a minimum of 10 percent of crop insurance units (including required CIH Excessive and Maximum Yield reviews) meeting the criterion in Appendix IV.

**For those crops and states listed below the Company must review a minimum of the lesser of: 1) the number of tolerance reviews conducted by the Company in RY 2004 for the crop and state; or 2) 10% of the crop insurance units (including required CIH Excessive and Maximum Yield reviews) meeting the criterion in Appendix IV.**

Corn – IL, IN, IA, KS, KY, MD, MN, MO, NE, NC, PA, SD, TN, TX, and VA

Cotton – AR, MO, NC, OK, SC, and TX

Dry Peas - ND

Flax – ND

Grain Sorghum – KS, NE, OK, and TX

Soybeans – AL, DE, GA, IL, IN, IA, KS, MD, MO, NE, NC, OH, PA, SC, SD,  
TX, and VA



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

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