February 14, 2020

INFORMATIONAL MEMORANDUM

TO: All Approved Insurance Providers Writing in the State of Illinois

FROM: Brian Frieden /s/ Brian Frieden
   Director, Springfield RO

SUBJECT: Actuarial Rates Resulting from Breached Levees in Illinois

I. BACKGROUND

Due to the 2019 flood event, levees along the Illinois and Mississippi Rivers were breached. The following is a 2020 crop year policy provision ("Breached Levee Statement") in the Special Provisions for spring planted crops with a 11/30 filing date:

"Land flooded due to a breach in a levee resulting from prior year(s) flooding is insurable. The applicable rate will be assigned based on conditions of the levee and soils on the latter of the sales closing date or earliest planting date. If, by that date, the levee has not been repaired to prior specifications, or if damaged soil (if any) has not been restored to at least the same crop yield potential as prior to the flood event, the land will be classified as high-risk and will have the highest rate classification in the county. However, if the levee is repaired to prior design specifications, and the soil has at least the same crop yield potential as before the flood, the land will be classified as shown on the current crop year Actuarial Map. If the levee has been temporarily or permanently repaired, but not to prior design specifications, by the latter of the sales closing date or earliest planting date, and the soil has at least the same crop yield potential as before the flood, then RMA may adjust the rate to an amount consistent with the level of flood risk by written agreement, if applicable. For RMA to consider any levee repair, RMA must be provided a certification from the U.S. Army Corps of Engineers or signed and sealed certification from a professional engineer who is currently licensed and registered in the state where the levee is located. For soils to be considered restored to the same crop yield potential as before the flood, you must sign a statement that damaged soil (if any) has been restored to at least the same crop yield potential as prior to the flood event."

II. COUNTIES AFFECTED

The breached levee statement was placed in the Special Provisions in the following Illinois counties: Alexander, Greene, Jersey, Madison, and Randolph.
III. CERTIFICATION REQUIREMENTS

The breached levee statement requires breached levee system repairs to be certified. For levee systems within the U.S. Army Corps of Engineers (USACE) jurisdiction, the Springfield Regional Office (SRO) should be able to obtain the necessary certification of repairs from USACE. For all other breached levee system, the SRO must be provided a signed and sealed certification from a professional engineer who is currently licensed and registered in the state where the levee is located. Failure to provide the SRO with the necessary certification will mean the breached levee statement will be applicable to the acreage flooded by a breach in that levee system.

The certification of levee system repair is only to address the breaches of the levee system. “Levee system repairs” means all the breaches in the levee system have been repaired. The certification should include the following information:

i. The levee system name and location
ii. The levee system has been repaired to prior specification (Y/N)
iii. The levee system has been repaired to a temporary/permanent level of protection, but not to prior specifications (Y/N)
iv. The date the levee system was repaired.
v. If temporary/permanent level of protection, but not to prior specifications, please provide the minimum overtopping height (in feet based on river gage station) of the repaired levee system. Please provide Gage Height (in feet) of minimum overtopping height and Gage Name.

IV. STATUS OF BREACHED LEVEES AS OF FEBRUARY 13, 2020

A. Certified Repaired to Prior Specifications

<table>
<thead>
<tr>
<th>As of</th>
<th>Levee Name</th>
<th>County</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/13/2020</td>
<td>Bluffdale Farms Levee</td>
<td>Greene</td>
</tr>
<tr>
<td>2/13/2020</td>
<td>Schaefer Levee</td>
<td>Greene</td>
</tr>
</tbody>
</table>
Actuarial Rates Resulting from Breached Levees in Illinois
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B. Not Repaired or Not Certified as Repaired

<table>
<thead>
<tr>
<th>Levee Name</th>
<th>County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chouteau Island</td>
<td>Madison</td>
</tr>
<tr>
<td>Ste. Genevieve No. 2</td>
<td>Randolph</td>
</tr>
<tr>
<td>Len Small</td>
<td>Alexander</td>
</tr>
</tbody>
</table>

C. Certified Temporarily or Permanently Repaired, but not to Prior Specifications

<table>
<thead>
<tr>
<th>As of</th>
<th>Levee Name</th>
<th>County</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/7/2020</td>
<td>Nutwood Levee</td>
<td>Greene</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Jersey</td>
</tr>
</tbody>
</table>

- Based on the certification from the USACE, the Nutwood Levee was temporarily repaired to the height it was prior to the levee breach. Therefore, for the 2020 crop year, the acreage behind the levee will carry the same map classification and subcounty rate it had prior to the levee breach. Please see the 2020 Actuarial Information Browser for the applicable map classification and subcounty rate.

V. ACTION

For crop land affected by a breached levee, the Approved Insurance Provider (AIP) is responsible for ensuring the stipulations in the breached levee statement are followed accordingly.

As noted, SRO should be able to obtain the necessary certification of repairs from USACE. For all other breached levee system, the SRO must be provided a signed and sealed certification from a professional engineer who is currently licensed and registered in the state where the levee is located. Insureds, agents or AIPS can provide this information directly by contacting SRO. Note: SRO only needs to receive one certification that a levee system is repaired to be able to consider that levee system as repaired.

For more information on the breached levee statement, including “prior specifications,” “damaged soil,” and requesting written agreements, please visit our Frequently Asked Questions document at www.rma.usda.gov/News-Room/Frequently-Asked-Questions/Breached-Levee-Statement.

To assist AIPs, the Springfield RO has developed a map of the land flooded by breached levee (s) identified in this memo. All information can be downloaded from the following: ftp://ftp.rma.usda.gov/pub/Miscellaneous_Files/Breached_Levees/

Disposal: Effective until otherwise superseded or the Special Provisions statement is removed from the counties’ actuarial documents.