



United States
Department of
Agriculture

Farm Production and
Conservation

Risk
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Agency

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May 6, 2021

INFORMATIONAL MEMORANDUM

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

FROM: Collin Olsen /s/ *Collin Olsen*
Director, Topeka RO

SUBJECT: Updated Actuarial Offers for Repaired Levees in Missouri

I. BACKGROUND

Due to the 2019 flood event, levees along the Missouri and Mississippi Rivers and tributaries in Missouri were breached. The following is a 2021 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 restored to the classification designated prior to the breach. 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. 2021 ACTUARIAL INFORMATION BROWSER (AIB)

The 2021 Actuarial Information Browser (AIB) has been updated periodically since early March 2021. It was last updated on **May 4, 2021**. With this Informational Memo, the AIB has been updated to reflect the subcounty area and high-risk rates of the land flooded by breached levee(s) that have not been certified as repaired as of the

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earliest plant date for corn. The AIB can be found at
webapp.rma.usda.gov/apps/actuarialinformationbrowser/

III. BREACHED LEVEE - UPDATED ACTUARIAL OFFERS FOR REPAIRED LEVEES OFFERS (BL OFFERS)

In the application of the breached levee statement (Section I), one situation exists in which the current 2021 AIB will not fully reflect the map classification and or subcounty areas:

- (1) *Levee repairs which were completed after the EPD for one or more crops, but before the EPD for other insurable crops.*

In this case, a BL Offer offer will be issued for crops for which the EPD has passed and the crop was planted on or after the repaired as of date and for crops for which the EPD has not yet passed. AIPs should assign that Breached Levee – Updated Actuarial Offers for Repaired Levees offer number to all policyholders who planted those crops in the area protected by the repaired levee.

To address this situation, RMA has developed an innovative solution to streamline high risk rate adjustments in response to completed levee repairs. *BL Offers*, administered through the Regional Office Exceptions (ROE) system, will apply the high risk rate to the proper subcounty map area. This process eases the paperwork burden on policyholders, agents, and Approved Insurance Providers (AIPs).

The *BL Offer* is similar to a written agreement offer but is initiated by the Topeka Regional Office. The document has a WA Number, and identifies the crop, subcounty area and high-risk rates, and can be applied to all acreage behind a specified levee system. In short, RMA has adjusted the high-risk rate for all the acreage behind a repaired and certified levee system without insureds having to submit a written agreement request. *The Topeka Regional Office have developed 4 of these BL Offers, which are located at:*
ftp://ftp.rma.usda.gov/pub/Miscellaneous_Files/Breached_Levees/Updated%20Actuarial%20Offers%20for%20Repaired%20Levees/

IV. COUNTIES AFFECTED

BL Offers have been issued for eligible levee districts in the following Missouri counties: Chariton, Lewis, and Holt.

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V. BL - OFFERS FOR REPAIRED LEVEES BY LEVEE DISTRICTS

A. Levee repairs completed after the EPD for one or more crops:

Repaired As of	Levee Name	County	HR Classification			
			Corn	Popcorn	Soybeans	Grain Sorghum
4/14/2021	Mill Creek, Corning Levee District, Big Tarkio DD (right descending) ¹	Holt	WA Number: 210458211 Planted on or after April 14, 2021 Applicable to All Acreage			
4/26/2021	MRLS 246-L ²	Chariton	WA Number: 210460911 Planted on or after April 26, 2021			
1/28/2020	Union Township Levee ³ (Temporary Repair to 24.0 feet)	Lewis	WA Number: 210460411 Planted prior to April 30, 2021			
4/30/2021	Union Township Levee ³ (Full Level of Protection)	Lewis	WA Number: 210459611 Planted on or after April 30, 2021			

¹ The Mill Creek, Corning Levee District, Big Tarkio DD (right descending) repairs were completed after the corn earliest planting date (4/5). The actuarial map will apply for corn and popcorn if a producer plants prior to April 14, 2021. For corn and popcorn planted on or after April 14, 2021, and for soybeans and grain sorghum, the *BL Offer* via the RMA ROE system can be applied by the AIP without the insured requesting a written agreement.

² The MRLS 246-L repairs were completed after the corn earliest planting date (4/1). The actuarial map will apply for corn, popcorn, grain sorghum and soybeans if a producer plants prior to April 26, 2021. For corn, popcorn, grain sorghum and soybeans planted on or after April 26, 2021, the *BL Offer* via the RMA ROE system can be applied by the AIP without the insured requesting a written agreement.

³ The Union Township Levee repairs began in 2021 under a temporary level of protection based on levee certification at 24.0 feet on the Gregory Landing river gage. The repairs to full level of protection were completed on April 30, 2021, which is after the earliest planting dates for all crops in the county. Therefore, there are 2 *BL Offers*: one for acreage planted prior to April 30, 2021; and one for acreage planted on or after April 30, 2021. These *BL Offers* via the RMA ROE system can be applied by the AIP without the insured requesting a written agreement.

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VI. ACTION

The Topeka Regional Office has developed 4 *BL Offers*, which are located at:
ftp://ftp.rma.usda.gov/pub/Miscellaneous_Files/Breached_Levees/Updated%20Actuarial%20Offers%20for%20Repaired%20Levees/

AIPs may apply the *BL Offer* via RMA ROE system to the levee systems and applicable crops identified in Section V. To apply the *BL Offers*, the AIP only needs to apply the **WA number** on the levee specific *BL Offer* to the affected policyholders for the rate reduction to take effect.

As noted, to receive the rate reduction associated with the repaired levee for the levees identified in Section V, producers behind the levee systems do not need to submit a Request for Actuarial Change for a Written Agreement to RMA. By applying the *BL Offer*, the AIP will adjust the high-risk rate for all the acreage behind a repaired and certified levee system without the insured's submittal of a written agreement request.

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.

Disposal: Effective until otherwise superseded or the actuarial map is updated in the AIB for the county.