

PRODUCT MANAGEMENT BULLETIN: PM-17-039

DATE June 29, 2017

TO: All Approved Insurance Providers
All Risk Management Agency Field Offices
All Other Interested Parties

FROM: Richard H. Flournoy Deputy Administrator /s/ Richard H. Flournoy 6/29/2017

SUBJECT: Sugarcane Actual Production History Plan of Insurance – 2018 and Succeeding
Crop Years

Background

On February 15, 2017, the Federal Crop Insurance Corporation Board of Directors (Board) approved policy changes, submitted by private submitters, to the Sugarcane Actual Production History (APH) plan of insurance for the 2018 crop year in accordance with Section 508(h) of the Federal Crop Insurance Act (Act). The Act states, "Private Sector individuals may submit: (1) crop insurance policies, (2) provisions of policies, or (3) rates of premiums." To ease the administrative burden on Approved Insurance Providers and help insured producers better understand the changes, the Risk Management Agency will incorporate the approved changes into the existing sugarcane policy. The approved changes applicable to the sugarcane policy are as follows:

- 1) Clarified the definitions of "plant cane," "seed," and "stubble cane."
- 2) Added requirements for determining Actual Production History, production to count, and reporting for acreage that is cut for seed.
- 3) Added program dates to allow for a future change to the sales closing date.
- 4) Revised provisions to allow sugarcane exceeding age limitations in the Special Provisions of Insurance to be insured without an appraisal, provided the acreage comprises less than 10 percent of the acreage in the unit.
- 5) Revised the time insurance begins for stubble cane when insurance has been in force continuously with the same insurance provider.
- 6) Added provisions regarding requests for increased coverage for insured damaged sugarcane.
- 7) Added provisions regarding the appraisal process for acreage exceeding age limitations in the Special Provisions of Insurance when such acreage constitutes 10 percent or more of the unit acreage.

On June 3, 2016, the Board also approved the Sugarcane Crop Replacement Endorsement (CRE) for implementation for the 2018 crop year. The CRE provides a replacement payment for plant and first year stubble cane when damaged by insured causes of loss that must be replaced before the end of its useful life. The CRE will be available in Louisiana only.

The Sugarcane Loss Adjustment Standards Handbook and Insurance Standards Handbook (ISH) were revised to incorporate the changes to the policy provisions and the addition of the CRE. The ISH incorporates revisions referenced above to the General Standards Handbook, Crop Insurance Handbook, and Loss Adjustment Manual.

Action

The 2018 crop year changes to the Sugarcane APH policy, CRE, LASH, ISH, and actuarial documents will be released on the Risk Management Agency website by the close of business on June 30, 2017.

DISPOSAL DATE:
December 31, 2017