

PRODUCT MANAGEMENT BULLETIN: PM-17-053

DATE September 11, 2017

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

FROM: Richard H. Flournoy /s/ Richard H. Flournoy 9/11/2017

SUBJECT: Stage Codes for Uninsured Unavoidable Fire/Third Party Damage

Background

The 2018 Crop Insurance Handbook (CIH), FCIC 18010-1, provides procedures to mitigate the impact to an insured's approved actual production history (APH) yield in the event of production losses due to uninsured unavoidable fire (UUF) or third (3rd) party damage. As a result, the insured may request that no actual yield be included in the 2018 and subsequent crop years' APH database for acreage damaged by a UUF or a 3rd party in the 2017 or subsequent crop year.

As with any production loss, the insured must file a notice of loss with the Approved Insurance Provider (AIP) in accordance with policy and procedures set forth in the Loss Adjustment Manual (LAM) for a production loss in the 2017 crop year for any cause of loss, including uninsured causes of loss due to UUF/3rd Party damage.

Action

The Risk Management Agency (RMA) has developed stage codes for AIPs to use in tracking UUF and 3rd party losses to assist in identifying these for potential exclusion from actual production history databases.

The new stage codes are as follows:

- TZ - UUF/Third Party Damage – Zero Production on Same Acreage
- TA - UUF/Third Party Damage – Appraised Production on Same Acreage
- TH - UUF/Third Party Damage – Harvested Production on Same Acreage

For the 2017 crop year losses, AIPs may use these stage codes to track damage for production losses due to UUF/3rd party damage, as long as it meets the criteria outlined in paragraph 1310H of the CIH. Use of the new stage codes by AIPs is optional for 2017 production losses. If the new stage codes are not used for 2017 crop year production losses due to UUF/3rd party damage, AIPs should document such damage in the narrative of the applicable Production Worksheet.

Until incorporated into the 2018 LAM