

PRODUCT MANAGEMENT BULLETIN: PM-20-013

DATE February 25, 2020

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 2/25/2020

SUBJECT: Requests to Increase Prevented Planting Coverage Level

Background

The Risk Management Agency is receiving questions regarding what factors approved insurance providers (AIPs) should consider when determining whether a cause of loss is present that could prevent planting, resulting in the denial of an insured's request to increase their prevented planting (PP) coverage level.

Section 17(b)(4) of the 2020 Basic Provisions states:

(4) You cannot increase your elected or assigned prevented planting coverage level for any crop year if a cause of loss that could prevent planting (even though it is not known whether such cause will actually prevent planting) has occurred during the prevented planting insurance period specified in section 17(a)(1)(i) or (ii) and prior to your request to change your prevented planting coverage level.

Paragraph 25(4) of the 2020 Prevented Planting Standards Handbook states, in part:

AIP determinations to allow/disallow additional PP coverage should be made on the conditions prior to the date of the insured's signed request and should include documentation of their decision in order to prevent blanket determinations. A request for additional PP coverage will be considered approved unless the AIP denies the request and notifies the insured, in writing, within 30 days of the AIP receiving the request in their system.

Action

AIPs should consider conditions prior to the time the insured requests an increase to their PP coverage level. When determining if there is a cause of loss that could prevent planting, the factors AIPs should consider include, but are not limited to:

- Historical Weather Patterns.
- Is the current condition common for the region at this time of year?
- Do these conditions typically resolve in time to result in availability to plant by the final planting date?
- Timing of the Final Planting Date.
- How likely is it that a cause of loss present prior to the final planting date will impact planting?
- Insured's Individual Planting History.

If the AIP determines that a cause of loss was present that could prevent planting and denies the request for additional PP coverage, the AIP is required to notify the insured, in writing, within 30 days of receiving the request.

DISPOSAL DATE:
December 31, 2020