

PM-16-029: High-Risk Alternative Coverage Endorsement Modifications - 2017 and succeeding crop years

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Date

May 16, 2016

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Thomas W. Worth, Acting Deputy Administrator /s/ Thomas W. Worth

Subject

High-Risk Alternative Coverage Endorsement Modifications - 2017 and succeeding crop years

Background

The Federal Crop Insurance Corporation Board of Directors (FCIC Board) approved the High-Risk Alternative Coverage Endorsement (HR-ACE) on March 1, 2012. The HRACE is a privately-developed product that was submitted to the FCIC Board under Section 508(h) of the Federal Crop Insurance Act. The only unit structures initially available for HR-ACE were basic and optional units. On February 5, 2015, the Board approved enterprise units beginning with the 2017 crop year.

In order to be eligible for an enterprise unit under HR-ACE, the policyholder must elect and qualify for an enterprise unit or enterprise units by practice on the base policy. Policyholders who elect HR-ACE may choose to have their acreage insured under HRACE in one enterprise unit, if they qualify, and their non-high risk acreage insured under the base policy in one enterprise unit or in enterprise units by

practice.

The HR-ACE allows policyholders to insure high-risk acres at an additional coverage level that is lower than the coverage level on their non-high-risk acres (as an optional endorsement to a Federal reinsured corn, soybean, wheat, or grain sorghum crop provisions). The HR-ACE is available in counties with a high-risk classification in Arkansas, Illinois, Indiana, Iowa (excluding the 35 counties that fall into the Prairie Pothole National Priority Area), Kansas, Kentucky, Louisiana, Mississippi, Missouri, Nebraska (limited to counties east of Holt County), Ohio, and Tennessee.

Action

The following materials will be available by close of business today and may be accessed on the RMA website at www.rma.usda.gov/policy-procedure/crop-policies.

DISPOSAL DATE:

December 31, 2016