MGR-20-026: Extending COVID-19 Relief

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Date
August 28, 2020

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

From
Martin R. Barbre, Administrator /s/ Martin R. Barbre

Subject
Extending COVID-19 Relief

Background

Many state and local areas continue to be impacted by the COVID-19 pandemic and may otherwise be unable to meet certain policy requirements due to concerns of spreading COVID-19. Beginning in March, the Risk Management Agency (RMA) began issuing Manager's Bulletins to provide program flexibilities in response to COVID-19.

Recognizing the industry, farmers and ranchers continue to face challenges, RMA remains committed to providing flexibility that supports the health and safety of all parties, while also ensuring the Federal crop insurance program continues to serve as a vital risk management tool.

Action

This action supplements the earlier relief authorized by Manager's Bulletins: MGR 20-005, MGR 20-008, MGR 20-009 and MGR 20-013.

Electronic Notification and Signature relief for Sales Closing (SCD), Production Reporting (PRD) and Acreage Reporting (ARD) Deadlines:
For policy due dates occurring through December 31, 2020, notifications may be sent electronically between the policyholder and their approved insurance provider (AIP)/agent. Policyholders may provide information over the phone with appropriate documentation of the call or using electronic methods to select policy elections due at the SCD and to report policy related information for the PRD and ARD. This authority also extends to options, endorsements, and other forms that are also due by SCD, PRD, or ARD deadlines.

If the policyholder sends their reports in such a matter, they will be required to either sign digitally at the time of submission or must follow up with a properly signed form(s) no later than 60 calendar days after the initial reporting deadline provided in the actuarial documents. The policyholder agrees to be bound by their initial certification and cannot make changes, other than those authorized by RMA procedure, after the applicable deadline Applicable Options, Endorsements or Forms are identified on the RMA website, Covid-19 FAQ: www.rma.usda.gov/News-Room/Frequently-Asked-Questions/COVID-19-Response.

Producer Submission Deadlines for Written Agreement Requests:
In accordance with Section 18(e)(1) of the Common Crop Insurance Policy, Basic Provisions, AIPs are reminded that producers may be able to submit a request for a written agreement after the SCD, but on or before the ARD, if they are able to demonstrate, including self-certification of COVID-19 related issues, the physical inability to submit the request (or required additional documentation) on or before the SCD.

AIP Submission Deadlines for Written Agreement Requests:
In accordance with Para. 23 A (2) & (3) of the 2021 Written Agreement Handbook (WAH), RMA is granting AIPs additional time to submit Written Agreement Requests and applicable documentation into the RMA Regional Office Exception (ROE) system. Only Written Agreement Requests that have a Cancellation Date deadline, SCD deadline, or ARD deadline on or before December 31, 2020, are receiving additional time. For these requests, AIPs have until 30 business days after the applicable producer submission deadline to submit the Request for Actuarial Change form and all applicable documentation into the RMA ROE system.

Producer Signature Deadline for Written Agreement Offers:
If a written agreement offer is provided to the producer, but the producer fails to sign the offer by the expiration date identified on the offer, a producer signature after the expiration date may still be accepted.

If the signature and date are executed after the expiration date of the written agreement offer, the producer must provide a self-certification, or other documentation, showing that COVID-19 caused a physical inability to sign the offer by the expiration date. This self-certification, or other documentation, must include a brief explanation of the circumstances surrounding the situation (such as, producer was quarantined, agent offices were closed, etc.) and must be included with the signed and accepted written agreement offer when returned to RMA.

Only written agreement offers with an expiration date on or before December 31, 2020, will have producer signatures accepted after the expiration date with proper self-certification or documentation. All documentation and signatures for these offers must be completed by no later than February 1, 2021. In lieu of Paragraphs 54 and 56 of the 2021 WAH, written agreement offers signed after the expiration date due to COVID-19 must be electronically submitted to RMA through the ROE system no later than 15 business days after the producer signed the written agreement offer.

Any written agreement offers with an expiration date after December 31, 2020, must sign by the expiration date identified in the written agreement offer and follow the procedures provided in the 2021 WAH for submission to RMA.

Organic Relief:
For the 2021 and 2022 crop years, AIPs may allow a policyholder to report acreage as certified organic, or as acreage in transition to organic, when the policyholder certifies that they have requested, in writing, a written certification or other written documentation from a certifying agent on or before the ARD. Policyholders must continue to use generally recognized organic practices in accordance with their policy. This relief also applies to Whole Farm Revenue Protection.

Policyholders must notify their agent within 30 calendar days of receiving notification from their certifying agent that their organic plan or certificate was not approved. The policyholder notification may be made by phone, email, text, or other electronic communication method.

If the requested certificate or plan is not approved, the acreage report and premium may be revised appropriately by the AIP when such notice is timely received from the policyholder.

Consistent with existing loss adjustment standards, AIPs must verify an organic plan or certificate is in effect for organic practices during the loss adjustment process.

Replant Self Certification:
For crop year 2021 replant notifications received by the AIP through December 31, 2020, AIPs are authorized to allow self-certification replant inspections for up to 100 gross acres (before considering share) per unit in lieu of 50 acres. All references to the 50-acre limitation as it relates to self-certification replant inspections in the 2020 Loss Adjustment Manual (LAM) Standards Handbook will be replaced with 100 acres.

In addition, AIPs are authorized to allow policyholders that have elected Basic (BU) or Enterprise Units (EU), to apply the 100-acre limitation, and perform self-certification replant inspections up to 100 acres, for each of the underlying databases that could qualify as separate optional units under the BU; or separate optional or basic units under the EU.

All other replanting requirements remain unchanged. Guidance on self-certification replant inspections can be found in the 2020 LAM, subparagraph 722B and Exhibit 8.

If there is any reason to suspect that the policyholder will misrepresent information regarding the replanting claim, an on-the-farm replant inspection must be conducted by the AIP.

Assignment of Indemnity:
AIPs are authorized to waive the witness signature requirement for approval of Assignments occurring through December 31, 2020 for crop years 2019 through 2021, as applicable. The policyholder’s and creditor’s signature on the Assignment continues to be required in a pen and ink signature and in the hand of the person whose signature is required or an acceptable electronic (digital) signature in accordance with the AIPs established Electronic Business Implementation Plan and requirements in the Document and Supplemental Standards Handbook.

Since the witness requirement is waived, AIPs must obtain and maintain documentation for proof of debt or other pecuniary obligation before an Assignment is accepted.

Nursery Value Select (NVS) Program Inspections:
The Nursery program continues to be available for the 2021 crop year with a SCD of May 1, 2020, and insurance attaches June 1 under the terms of the policy. Nursery Value Select (NVS) is a new program for the 2021 crop year, which will be offered in select counties alongside the existing Nursery program. In certain counties, NVS also has a SCD of May 1, 2020, and September 1, 2020, depending on the county. For counties with a May 1 SCD, insurance attaches June 1 under the terms of the policy; for counties with a September 1 SCD, insurance attaches on October 1 under the terms of the policy. For both Nursery and NVS policies, inspections must be conducted in May for insurance to begin as scheduled on June 1 and in September for insurance to begin as scheduled on October 1.

RMA authorizes AIPs to defer the 2021 crop year inspection until the subsequent crop year for the Nursery and NVS programs when an inspection report exists in the policyholder’s file applicable to Nursery Crop Provisions for the 2017, 2018, 2019 or 2020 crop year(s) as provided in Manager’s Bulletin MGR 20-009. Hurricane Irma caused significant damage during the 2018 crop year. AIPs must ensure that any 2018 inspection used appropriately accounts for the damage caused by Hurricane Irma that did not recover before the beginning of the 2019 crop year.

DISPOSAL DATE:
December 31, 2020