

## **OA-20-003: Claims Advisory - Use of Representative Sample Areas**

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Date

August 21, 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

Claims Advisory - Use of Representative Sample Areas

### **Background**

The Risk Management Agency (RMA) has received numerous reports that Approved Insurance Providers (AIPs) are instructing insureds that RMA requires damaged production be harvested to be eligible for a crop insurance indemnity.

### **Action**

Neither the Common Crop Insurance Policy, Basic Provisions, nor individual Crop Provisions requires harvest. The [2020 Loss Adjustment Manual \(LAM\)](#) provides procedures for situations in which the insured may or may not harvest, including procedures for Representative Sample Area (RSA) appraisals, procedures for situations in which the crop will never be able to be mechanically harvested, and procedures for release of acreage.

Insureds have the option to settle claims based on appraised or harvested production. When insureds request their acreage be released for another use, AIPs

may require that RSAs be left for reasons listed in paragraph 924 of the LAM. If RSAs are authorized, insureds are required to maintain the RSAs as they would if the acreage would be taken to harvest. If insureds comply with these requirements and the RSAs are maintained until the time of normal harvest, any additional production damage to the RSAs due to a named peril in the policy will be considered an insured Cause of Loss, including revenue losses.

If the crop is determined to be unable to be mechanically harvested, refer to subparagraph 921D in the LAM.

**DISPOSAL DATE:**

This memorandum is in effect until December 31, 2020.