

## **MGR-19-008**

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Date

April 25, 2019

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Martin R. Barbre, Administrator

Subject

Flooding 2018 Claims

## **Background**

Record-level flooding has caused catastrophic damage in many counties in Iowa, Kansas, Missouri, and Nebraska. Many insureds in these areas suffered production losses through flooded and/or collapsed grain storage structures. Multiple-peril crop insurance coverage ceases at the end of insurance period, which is the earlier of the date of harvest or the date specified in the actuarial documents. Thus, any damage to or loss of production that occurs while in storage is not covered under the Federal crop insurance program.

The Risk Management Agency (RMA), in conjunction with Approved Insurance Providers (AIPs), are aware that these losses may have occurred within the optional 180-day delayed measurement of farm-stored production. RMA and AIPs are also aware that flood damage to unharvested 2018 crop year production may have occurred in cases where additional time to harvest had been granted by the AIP. For some insureds impacted by the flooding, this could mean loss of both the 2018 harvested crop in storage as well as the remaining unharvested crop in the field.

RMA and AIPs recognize the need for authorizing emergency procedures that will assist in certain loss determinations.

## **Action**

RMA authorizes the use of these emergency procedures to all counties in Iowa, Kansas, Missouri, and Nebraska impacted by flooding.

Application of these emergency procedures is limited to situations where the catastrophic nature of the losses due to extensive flooding is such that not authorizing these emergency procedures would result in unnecessary delays processing claims.

RMA is authorizing the following emergency procedures for AIPs to utilize, on a case-by-case basis, to assist impacted policyholders and increase the efficiency of AIP services and determinations:

### **2018 CLAIMS**

1. For insureds with on-farm stored production where flood damage results in the inability of the AIP to measure the stored production (e.g., insured elected the 180-day delay in measurement, additional time to harvest has been granted by the AIP, AIP excessive claim workload, etc.):

AIPs may forego the storage structure measurement and utilize load records, farm management records (such as field harvest records), weighed production from farm scales or grain carts, and/or structure measurements made prior to the flood, etc. to determine production to count for claim finalization, if such records meet production reporting requirements acceptable to the AIP.

2. For situations where, additional time to harvest has been granted by the AIP and where the edible portion of an insured unharvested crop has been exposed to flood waters:

(a) Follow procedures found in subparagraphs 1108A and 1102H(3) of the LAM on Flooded Crops and Zero Market Value (ZMV) Production.

(b) AIPs may finalize claims based on the insureds signed certification that the production will be destroyed. This certification may be included in the Narrative of the claim form or on a separate certification form. Insureds must sign and date

the following certification statement:

"I acknowledge my crop has been exposed to flood waters and is considered adulterated in accordance with FDA guidelines and:

(i) All such production will be destroyed in accordance with any applicable method prescribed by State or Federal regulations, as soon as possible but no later than the beginning of 2019 crop harvest, unless an extension has been granted by my AIP; and

(ii) I understand that if any portion of my ZMV production is salvaged (sold, fed, etc.), I will notify my AIP immediately; resulting in an adjusted claim and repayment of any overpaid indemnity."

**DISPOSAL DATE:**

December 31, 2019.