



United States
Department of
Agriculture

Farm and Foreign
Agricultural
Services

Risk
Management
Agency

1400 Independence
Avenue, SW
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Washington, DC
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INFORMATIONAL MEMORANDUM NO.: IS-11-012

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

FROM: Michael A. Alston /s/ *Michael A. Alston*
Deputy Administrator for Insurance Services

9/28/2011

SUBJECT: Claims Advisory – Claims Documentation of Flood Damaged Crops

BACKGROUND:

Nearly record flooding occurred during the 2011 crop year in parts of the United States resulting in some cases where crops were submerged by flood waters. The Risk Management Agency (RMA) received several inquiries regarding how to handle crop insurance claims for crops that were submerged by flood waters which may be subject to State and/or Federal warning due to contamination. In response, RMA issued Informational Memorandum IS-11-010 on September 12, 2011, providing guidance from the Food and Drug Administration (FDA) regarding crops and other food commodities exposed to flood water, as well as directing Approved Insurance Providers (AIP) to procedures in the 2011 Loss Adjustment Manual (LAM) Section 102 (A), (D) and (E).

RMA has received follow up questions since the Claims Advisory was issued regarding the documentation requirements specified in LAM Section 102 (D) and whether the FDA notice meets those requirements.

ACTION:

The FDA considers crops whose edible portion has been in contact with flood waters to be adulterated due to potential exposure to sewage, animal waste, heavy metals, pathogenic microorganisms, or other contaminants. Therefore, these crops should not enter the food or animal feed supply.

AIPs are notified that the Food and Drug Administration notice which can be found at <http://www.fda.gov/Food/FoodDefense/Emergencies/FloodsHurricanesPowerOutages/ucm112723.htm>, regarding crops and other food commodities exposed to flood waters meets the requirements outlined in the 2011 LAM Section 102 (D). To meet the documentation requirements specified in the 2011 LAM Section 102 (D) (3), AIPs must attach a copy of the FDA notice to the claim or Special Report, and also document on the Special Report the specific geographical area that is prohibited from marketing the crop for food or animal feed supply.



The Risk Management Agency Administers
And Oversees All Programs Authorized Under
The Federal Crop Insurance Corporation

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If a state has additional requirements (e.g., testing), RMA will require a copy of such tests to be retained in the claim file.

DISPOSAL DATE:

December 31, 2011