



United States
Department of
Agriculture

Farm and Foreign
Agricultural
Services

Risk
Management
Agency

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BULLETIN NO: MGR-11-012

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

FROM: William J. Murphy /s/ *William J. Murphy* 8/19/2011
Administrator

SUBJECT: Emergency Loss Adjustment Procedures Due to 2011 Crop Year Flooding

BACKGROUND:

The Risk Management Agency (RMA) issued Manager's Bulletins MGR-11-004, MGR-11-005, and MGR 11-010 regarding flooding along the Mississippi River and Tributaries, and the insurability of damage to crops located within the floodways as specified in these bulletins. Crops within the floodways were at various stages of planting, growth, or harvest depending on the crop and the applicable planting dates for the area. Determining which acres were or were not planted to a particular crop, the number of acres, as well as completing standard damage appraisals of planted crops can be difficult at this time given the nature and timing of the flooding.

The following guidance is provided for making determinations of acreage and planting considering the flooding situations identified in the above bulletins and more recently within the Missouri River Basin, particularly when fields are inaccessible, or remain underwater, and to provide for emergency loss adjustment procedures.

ACTION:

- (1) For all claims using these emergency loss adjustment procedures, Approved Insurance Providers (AIPs) must:
 - (a) Submit all information through the Policy Acceptance and Storage System (PASS) for Appendix III record types P-21 and P-22 with a simplified claim flag of "F."
 - (b) Document in each claim folder these emergency loss adjustment procedures were applied. Record in the narrative of the claim: "Emergency Loss Adjustment procedures applied per MGR-11-012."



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- (2) For determining or verifying the number of acres reported on the crop insurance acreage report and whether or not the acres were planted or prevented from being planted:
- (a) AIPs may use reported acres certified on the crop insurance acreage report (i.e., acreage report is signed by the insured) as determined acres for claim purposes, unless:
- 1 Acceptable measured acres as defined in the Loss Adjustment Manual (LAM) Standards Handbook are readily available (e.g., acreage measured during a previous inspection).
 - 2 Precision farming records of planted acreage are available that meet the requirements in paragraph 80 I of the LAM.
 - 3 The adjuster is able to make a visual observation at the time of loss adjustment and it is determined the acreage appears unreasonable, the acreage must be determined according to LAM procedures. If the adjuster is unable to make a visual observation at the time of loss adjustment and the acreage seems excessive as to what the insured has historically reported in the past, then use the acreage from past crop insurance measurements, precision farming records, previous acreage reports, Farm Service Agency (FSA) acreage reports, crop insurance claims, etc., to determine the acreage for the claim.
 - 4 Farm Service Agency measurements are used to determine planted acres.
 - 5 Satellite Imagery
 - a AIPs may use satellite imagery created immediately prior to the flood event to confirm the amount of reported acres certified. The satellite imagery must be free of clouds over the area being analyzed. AIPs must be able to determine the number of acres based upon generally **accepted scientific measurement or measurement-conversion techniques. The technique and the imagery used for the determination must be documented in the claim file.**

- b Selected satellite images licensed to the Federal Government for disaster relief are available on the IPSERVER. AIPs are provided the imagery as contractors of the U.S. Government and may only use the satellite imagery for the express purposes outlined in this bulletin. Additionally, Landsat imagery is freely available from the USGS from the following site: [\(http://edcsns17.cr.usgs.gov/NewEarthExplorer/\)](http://edcsns17.cr.usgs.gov/NewEarthExplorer/). This website contains large numbers of Landsat images of the Missouri River both pre and post flooding.

NOTE: Federal Crop Insurance Corporation issued loss adjustment procedures do not require the use of FSA documents, such as aerial photos, FSA-578, etc., however; if available, such information may be used to verify crop acreage or share.

- (b) AIPs may use one or more of the following methods to verify whether the crop acreage entered on the acreage report was planted or not planted:
- 1 Precision farming records of planted acreage may be used when the insured meets the requirements in paragraph 80 I of the LAM.
 - 2 Custom planting receipts, seed receipts, receipts for pre-plant herbicides or fertilizers, custom applicator records, FSA documentation, affidavits of neighbors, their employees or other disinterested third party information may be used when available to determine whether the insured had the necessary crop inputs available to plant the number of acres entered on the acreage report. Such documentation must be consistent with the recommendations of agricultural experts for seeding and application rates for the purposes of calculating planted acreage. For crops that have not been planted, AIPs should take a similar approach by reviewing receipts for purchases of seed, pre-plant herbicides and fertilizer, and noting the amount of seed and chemicals that were not used and why. Single receipts in and of themselves should be corroborated by other receipts and farm information that taken together as a whole provides reasonable assurances of the insured's actions leading up to and during the flooding events.
 - 3 Satellite Imagery (as provided for in 2(a)5 above):

- (3) If the crop is destroyed or damaged to the extent the crop will not survive or will never be harvested:
 - (a) On the entire unit:
 - 1 Complete the claim forms as appropriate based on the type of claim (Replant, Stage, or Final), and show “zero” production to count.
 - 2 An appraisal worksheet is not required.
 - (b) On part of the unit, field, or subfield:
 - 1 Estimate the destroyed acreage in the field or subfield based on the certified acreage from the crop insurance acreage report (refer to (2) (a) above).
 - 2 Complete the claim forms based on the type of claim (Replant, Stage, or Final), and show “zero” production to count for the destroyed/unharvestable field or subfield.
 - 3 An appraisal worksheet is not required for the destroyed acreage.
 - (c) Document why the crop will not survive or not be harvested as follows:
 - 1 Thoroughly explain in the narrative or on an attached Special Report the type of destruction or damage causing the crop not to survive or not be harvested.
 - 2 Document the affected acreage with photographs or videos. Follow the procedures in paragraph 119 of the LAM for photograph or video documentation and attach any supporting documentation from agricultural experts for the crop.
- (4) If the crop is not destroyed on the unit or part of the unit and damage is consistent, select a minimum number of three representative samples per unit without regard to the size of acreage. If there are more than three fields within the unit and the damage is consistent, only one representative sample per field is required. AIPs must note such on the claim form.

- (5) If the crop is not destroyed but cannot be cared for or mechanically harvested with normal harvesting equipment during the crop year because of flooding and:
- (a) If it is determined that debris cannot be feasibly removed from the field(s), or the field is totally inaccessible due to flood water, in time to properly care for the crop and/or harvest the crop, and the insured elects not to use specialized equipment to harvest the crop, OR the equipment required to clear the debris from the field(s) will result in destruction of the crop:
- 1 On the entire unit:
- a Complete the claim forms as appropriate based on the type of claim (Replant, Stage, or Final) and show “zero” production to count.
- b An appraisal worksheet is not required.
- 2 On part of the unit, field, or subfield:
- a Estimate the portion of the crop acreage of the field or subfield that cannot be mechanically harvested or acreage of the crop that will be destroyed by equipment required to clear the debris, based on the certified acreage from the crop insurance acreage report.
- b Complete the claim forms based on the type of claim (Replant, Stage or Final) and show “zero” production to count for the affected field or subfield.
- c An appraisal worksheet is not required for the portion of the crop acreage identified in 2 a above.
- (b) Document any field(s) or subfields that cannot be mechanically harvested with normal harvest equipment during the crop year, as follows:
- 1 Thoroughly explain in the narrative or on an attached Special Report why it is not feasible to harvest with normal harvest equipment, it is not feasible to remove the debris by harvest time,

- 2 In addition to (b) 1 above, document the affected acreage with photographs or videos. Follow the procedures in paragraph 119 of the LAM for photograph or video documentation.
- 3 If the insured elects not to use specialized harvesting equipment, a Certification Form must be completed and signed by the insured as instructed in paragraph 85 H (2) (e) of the LAM, stating the insured's intentions for the crop.
- (6) For pilot crops insured under the Biotechnology Endorsement, AIPs are reminded that paragraph 34 of the 2011 Biotechnology Endorsement Insurance Standards Handbook, addresses random sampling when insufficient plant material is unavailable due to flooding.

DISPOSAL DATE:

December 31, 2011.