



United States
Department of
Agriculture

Farm and Foreign
Agricultural
Services

Risk
Management
Agency

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BULLETIN NO.: MGR-14-026

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

FROM: Brandon C. Willis /s/ *Brandon Willis* 12/19/2014
Administrator

SUBJECT: Supplemental Coverage Option – Winter Wheat Opt Out Deadline

BACKGROUND:

The Risk Management Agency (RMA) released a new Supplemental Coverage Option (SCO) for the 2015 crop year. Questions have been raised regarding the ability of winter wheat producers who signed up for the SCO Endorsement to change their election if they plan to sign up for the Agriculture Risk Coverage (ARC) program.

The SCO Endorsement, for fall planted wheat for the 2015 crop year only, provides that an insured who applies for SCO and later elects to participate in ARC for winter wheat had until the earlier of the acreage reporting date or December 15, 2014, to withdraw SCO coverage on winter wheat on the farm for which ARC was elected and owe no premium. This is a one-time exemption, allowed only for the 2015 crop year for fall planted wheat, that recognized ARC program rules and election period may not have been available to the public by the sales closing date for winter wheat.

The SCO Endorsement also provided that a policyholder who did not notify their Approved Insurance Provider (AIP) they were withdrawing SCO coverage on winter wheat for a farm for which ARC was elected may be subject to the acreage being uninsurable under the SCO Endorsement, and owe 20 percent of the premium they otherwise would be required to pay on such acreage to offset costs incurred by the AIP in the administration of the SCO Endorsement.

RMA has become aware that information has circulated in some wheat producing areas indicating the deadline for insured producers with acreage reporting dates after December 15 may revise their election under SCO, if ARC has or will be elected, by the acreage reporting date of January 15, 2015. This is causing confusion for producers in these areas.

ACTION:

All fall planted winter wheat producers with an acreage reporting date after December 15, 2014, who elected SCO may revise their election under the SCO Endorsement by

notifying their agent no later than January 15, 2015, if they have, or plan to sign up for ARC. Producers who notify their agent by January 15, 2015, will not owe the 20 percent of premium that would otherwise be due.

DISPOSAL DATE:

December 31, 2015