



May 16, 2016

United States
Department of
Agriculture

INFORMATIONAL MEMORANDUM: PM-16-029

Farm and Foreign
Agricultural
Services

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

Risk
Management
Agency

FROM: Thomas W. Worth /s/ *Thomas W. Worth*
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SUBJECT: High-Risk Alternative Coverage Endorsement Modifications – 2017 and succeeding crop years

BACKGROUND:

The Federal Crop Insurance Corporation Board of Directors (FCIC Board) approved the High-Risk Alternative Coverage Endorsement (HR-ACE) on March 1, 2012. The HR-ACE is a privately-developed product that was submitted to the FCIC Board under Section 508(h) of the Federal Crop Insurance Act. The only unit structures initially available for HR-ACE were basic and optional units. On February 5, 2015, the Board approved enterprise units beginning with the 2017 crop year.

In order to be eligible for an enterprise unit under HR-ACE, the policyholder must elect and qualify for an enterprise unit or enterprise units by practice on the base policy. Policyholders who elect HR-ACE may choose to have their acreage insured under HR-ACE in one enterprise unit, if they qualify, and their non-high risk acreage insured under the base policy in one enterprise unit or in enterprise units by practice.

The HR-ACE allows policyholders to insure high-risk acres at an additional coverage level that is lower than the coverage level on their non-high-risk acres (as an optional endorsement to a Federal reinsured corn, soybean, wheat, or grain sorghum crop provisions). The HR-ACE is available in counties with a high-risk classification in Arkansas, Illinois, Indiana, Iowa (excluding the 35 counties that fall into the Prairie Pothole National Priority Area), Kansas, Kentucky, Louisiana, Mississippi, Missouri, Nebraska (limited to counties east of Holt County), Ohio, and Tennessee.

ACTION:

The following materials will be available by close of business today and may be accessed on the RMA website at <http://www.rma.usda.gov/policies/2017policy.html>.

MATERIAL

- High-Risk Alternate Coverage Endorsement (2017)
- High-Risk Alternate Coverage Endorsement Standards Handbook (2017)
- High-Risk Alternate Coverage Endorsement Frequently Asked Questions

Interested producers should contact a crop insurance agent for further information. A list of agents can be found on the Risk Management Agency (RMA) website at: www.rma.usda.gov/.

DISPOSAL DATE:

December 31, 2016.