

TO:

March 17, 2008

United States
Department of
Agriculture

INFORMATIONAL MEMORANDUM

Risk

Management

Agency

Topeka

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FROM: Rebecca Davis /s/ Rebecca Davis

Director, Topeka RO

SUBJECT: Update on Actuarial Rates Resulting from Unrepaired Levees in Ray

All Approved Insurance Providers Writing in the State of Missouri

and Carroll Counties, Missouri

BACKGROUND

On February 11, 2008, an informational memorandum and accompanying map was issued regarding the breached levees in Ray and Carroll Counties, Missouri. This memo dictated the policy provision found in the Ray and Carroll County Special Provisions of Insurance (SPOI) for Corn, Grain Sorghum, and Soybeans:

Land flooded due to a breach in a levee resulting from prior year(s) flooding conditions is insurable. The applicable rate will be assigned based on conditions at the sales closing date. This land will be classified as the high risk area classification that results in the highest rate if the levee has not been repaired to prior specifications, or if the soil was damaged and was not restored to at least the same crop yield potential as prior to the flood event. The land will be classified as shown on the Actuarial Map if the levee is repaired to prior specifications and the soil has at least the same crop yield potential as before the flood.

AFFECTED AREA

The levee districts affected by the February 11 memo are:

Miles Point Levee District Cherry Valley Levee District Baltimore Bend Levee District Belcher-Lovier Levee District Farmers Drainage and Levee District Wakenda Levee District Sambo Slough Levee District Root Levee District Sugar Tree Levee District



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ACTION

RMA has received confirmation from the United States Army Corps of Engineers that the breached levees along the Missouri River in Ray and Carroll Counties have been completed to offer the same height protection that was existing prior to the 2007 flood. This meets the requirement of "prior specifications" that was defined as offering equal to or greater than the level of height protection that was existing prior to the flood event.

With the breached levees being repaired prior to Sales Closing Date, the actuarial rates for Ray and Carroll Counties will be assigned according to the original published Actuarial Map Areas. Written agreements are not necessary to effect this action. The Data Acceptance System division will validate acreage reports based on the published actuarial maps.