



United States
Department of
Agriculture

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April 3, 2012

INFORMATIONAL MEMORANDUM

TO: All Approved Insurance Providers Writing in the State of Missouri

FROM: Rebecca Davis /s/ *Rebecca Davis*
Director, Topeka RO

SUBJECT: Guidance on Actuarial Rates Resulting from Breached Levees in New Madrid County, Missouri for Spring Planted crops

I. BACKGROUND

Due to the 2011 flood event, the Birds Point-New Madrid Levee along the Mississippi River in New Madrid County, Missouri, was breached. The breached levees flooded land in New Madrid County. US Army Corps of Engineers (USACE) have confirmed for the Topeka RMA Regional Office that the temporary Hercules Engineering Solutions Consortium (HESCO) barriers are an effective flood prevention measure. According to USACE, these temporary barriers, if properly monitored and maintained, will provide, for the 2012 crop year, the same level of protection as an earthen levee built to the same height. The following is a 2012 crop year policy provision in the Special Provisions for spring crops in New Madrid County:

“Land flooded due to the activation of the Birds Point – New Madrid Floodway is insurable. The applicable rate will be assigned based on conditions of the levee and soils on the latter of the sales closing date or earliest planting date. If, by that date, the levee at the upper and center crevassed locations has not been repaired to provide protection to a flood elevation of at least 55 feet on the gage at Cairo, Illinois as determined by the US Army Corps of Engineers (USACE), or if damaged soil (if any) has not been restored to at least the same crop yield potential as prior to the flood event, the land will be classified as high risk according to the current crop year Actuarial Map. However, if the levee at the upper and center crevassed locations has been repaired to provide protection to a flood elevation of at least 55 feet on the gage at Cairo, Illinois as determined by the USACE, and the soil has at least the same crop yield potential as before the flood, the land classified as AAA on the current crop year Actuarial Map will be classified as Standard Rate.”



The Risk Management Agency Administers
And Oversees All Programs Authorized Under
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II. ACTION

According to the USACE, this 55 foot level of protection exists as of the earliest planting date. Therefore, the land classified as AAA, inside the Birds Point-New Madrid Floodway, on the 2012 Actuarial Map will be classified as Standard Rate. Also, if soil was lost and acreage was damaged by the flood, the soil must still be restored to the point that it can produce at least the same crop yield potential as prior to the flood event.

For more information on the breached levee statement, including “damaged soil”, and requesting written agreements, please visit our Frequently Asked Questions document at http://www.rma.usda.gov/fields/ms_rso/2011/FAQbreachedlevee.pdf

For crop land affected by a breached levee, the Approved Insurance Provider (AIP) is responsible for ensuring the stipulations in the breached levee statement are followed accordingly.

To assist AIPs, the Topeka RMA Regional Office has developed a map illustrating how land identified in Policy Provision listed above will be classified. All information can be downloaded from the following:

ftp://ftp.rma.usda.gov/pub/Miscellaneous_Files/Breached_Levees/