

Frequently Asked Questions

Breached Levee Statement

Risk Management Agency

The following Special Provision statement is a part of the actuarial documents for certain States and Counties that may have acreage impacted by a breached levee.

Land flooded due to a breach in a levee resulting from prior year(s) flooding 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 has not been repaired to prior specifications, or if damaged soil (if any) has not been restored to produce at least the same crop yield potential as that prior to the flood event, the land will be classified as high risk and will have the highest rate classification in the county. However, if the levee has been repaired to prior specifications and the soil has the ability to produce at least the same crop yield potential as before the flood, the land will be classified as shown on the current crop year Actuarial Map.

Question 1: What is the purpose of the “breached levee” statement?

Answer: As a part of the actuarial documents, the statement is to notify policyholders that land flooded by a levee breach is insurable. In addition, the statement ensures crop insurance premium rates adequately reflect the risk associated with growing crops in an area that, due to the breach, may have an increased risk of flood.

Since the breached levee statement is a condition of insurance, it must be posted to the actuarial documents by the Contract Change Date which is several months before the insurance period begins. If the land has been restored and the levee is repaired to prior specifications by the latter of the sales closing date or the earliest planting date, then the rate classification for that land will be as designated in the crop year actuarial documents. However, if conditions are not met, then the land will receive the highest rate classification in the county as shown on the actuarial documents.

Question 2: What does the term “prior specification” mean?

Answer: This means the levee has been repaired to its original designed height, slope, crown width, etc. using the same (or similar) materials used to build the levee prior to the breach event. However, the repaired levee will not have to be seeded or turfed by the sales closing date or earliest planting date.

RMA will require confirmation from the U.S. Army Corps of Engineers (USACE) or local levee district as to the date the breach has been repaired to “prior specification”, minus seeding.

Question 3: How will I know if the breached levee has been repaired to prior specifications?

Answer: RMA will monitor levee repairs with the USACE and/or the local levee districts. As the Sales Closing Date approaches, RMA will notify the crop insurance companies of the status of breached levee repairs. The companies will be periodically notified thereafter on the status of repairs. However, the companies will have to make certain determinations regarding whether the land has also been repaired and/or restored

The RMA Regional Office will provide information on status of breached levee repairs on the Regional Office page which is located at the following link:

<http://www.rma.usda.gov/aboutrma/fields/rsos.html>

Question 4: Can RMA make any changes to the breached levee statement after it is posted in the Actuarial Documents?

Answer: No. The breached levee statement is part of the actuarial documents and cannot be changed after the Contract Change Date. The Contract Change Date for fall planted crops is June 30, and for spring planted crops, November 30.

Crop insurance contract terms and conditions for the upcoming crop year are announced by the Contract Change Date. Terms and conditions include rates, transitional yields, actuarial maps, and all Special Provisions of Insurance Statements, such as the breached levee statement. Posting this information by the contact change date allows crop insurance companies, agents, agricultural producers and the public adequate time to understand the terms and conditions of insurance for the upcoming crop year.

The existing breached levee statement can be modified in subsequent crop years based on new information regarding levee repairs, provided the new information is received well before the Contract Change Date to allow for adequate analysis and review.

Question 5: What if the breached levee has only been partially repaired (i.e. a lower level of protection than before the breach) by the latter of the sales closing date or earliest planting date? Will rates be adjusted to reflect the partially repaired levee?

Answer: The rate your land will receive is specified in the breached levee statement. The highest rate classification shown in the actuarial documents for the county will be applicable for a breached levee that was not repaired to prior specifications by the later of the sales closing or earliest planting dates. Rates will not be adjusted to reflect a partially repaired levee after the contract change date.

Question 6: The breach had been repaired to prior specifications BEFORE I planted my crop but after the date specified in the statement. Will my land still be subject to the “highest rate classification in the county”?

Answer: Yes. However, you may submit a Request for Written Agreement through your crop insurance agent to RMA to re-examine your rates in accordance with Section 3. (k) and Section 18 of the Common Crop Insurance Policy Basic Provisions. RMA will require confirmation from the USACE or local levee district of the date the breach was repaired to prior specifications, and that date must be before you planted your crop.

Question 7: The breach had been repaired to prior specifications AFTER I planted my crop but no crop damaged has occurred. Can I receive lower crop insurance premium rates?

Answer: No. Crop insurance protection attaches and premium is earned when the crop is planted.

Question 8: What does the phrase “. . .or if damaged soil (if any) has not been restored to at least the same crop yield potential as prior to the flood event, . . .” mean?

Answer: This phrase is to ensure that if any soil was damaged as a result of the breached levee, the soil is restored prior to planting the next crop such that it has the ability to produce at least the same crop yield potential as before the flood. Damage would include erosion (e.g. gullies, scour), debris, or sedimentation. Restoration means adequately addressing eroded land (e.g. leveling gullies), clearing debris and sediment from field, or in the case of light sediment, incorporating it into the soil. In general, you should consult agricultural experts as to the best way to restore damaged soils. All actions taken to restore damaged soils should be documented.