



United States Department of Agriculture

Farm and Foreign Agricultural Services
Risk Management Agency

March 5, 1999

BULLETIN NO.: MGR-99-008

TO: All Reinsured Companies
All Risk Management Field Offices
All Other Interested Parties

FROM: Kenneth D. Ackerman /s/ John Zirschky (for)
Administrator

SUBJECT: Cancellation of Crop Revenue Coverage (CRC) Crop Insurance Policies Sold
With *CRCPlus*

BACKGROUND:

The Risk Management Agency (RMA) has evaluated the current situation related to the marketing of a privately-owned supplemental crop insurance policy called *CRCPlus* for rice crops in the States of Arkansas, Louisiana, Mississippi, Missouri, and Texas. *CRCPlus* was marketed and sold by American Agrisurance, Inc., a managing general agency for American Growers Insurance Company (hereafter referred to as American Agrisurance, Inc.) and U.S.A.G., an agency of American Agrisurance, Inc.. *CRCPlus* is not a Federally-reinsured or subsidized policy.

Rice producers in these States may have applied for the Federally-reinsured Crop Revenue Coverage (CRC) crop insurance policies in anticipation of receiving increased price protection provided by *CRCPlus* policies. CRC crop insurance policies were marketed and sold with *CRCPlus* policies.

On March 1, 1999, which was the sales closing date in these States, American Agrisurance, Inc. announced its intentions to lower the amount of price protection provided under *CRCPlus* rice policies. The terms and conditions of the Federally-reinsured CRC crop insurance policies did not change.

In response to many questions addressed to RMA in the wake of this action by American Agrisurance, Inc., a policyholder may wish to discontinue coverage under the CRC crop insurance policy sold by American Agrisurance, Inc. for rice crops grown in these States. This action does not affect the terms of *CRCPlus*. *CRCPlus* is not subsidized or reinsured by FCIC.



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All Programs Authorized Under the Federal Crop Insurance Corporation
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ACTION:

Mutual consent cancellation procedures allow policies to be voided in certain situations where expected coverage conditions have changed. If both American Agrisurance, Inc., or U.S.A.G. and producers who signed applications for *CRCPlus* and CRC crop insurance policies agree, any underlying Federally-reinsured CRC crop insurance policy for rice, based on those applications in Arkansas, Louisiana, Mississippi, Missouri, and Texas prior to March 2, 1999, may be canceled, so long as such cancellation is completed, in writing, before the close of business March 15, 1999.

All CRC policyholders must be informed that if the underlying Federally-reinsured CRC rice crop insurance policy is canceled, crop insurance protection for these crops will NOT be in effect for the 1999 crop year. Catastrophic Risk Protection crop insurance coverage may be available to these policyholders under certain conditions related to the receipt of Emergency Financial Disaster Assistance.