United States Department of Agriculture

Farm and Foreign Agricultural Services
Risk Management Agency

BULLETIN NO.: MGR-00-027

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

FROM: Kenneth D. Ackerman /*s*/ Ken Ackerman 10-12-00
Administrator

SUBJECT: Global Imaging/Positioning System (GIS/GPS) Applications for the Federal Crop Insurance Program

BACKGROUND:

Recently, several insurance providers requested the Risk Management Agency's (RMA) position on the use of GIS/GPS systems to determine insured acreage. Some insurance providers have developed applications for the measurement of insured acreage using this technology and demonstrated its performance to RMA personnel.

The use of GIS/GPS technology supports several goals of RMA--Program simplification and reducing fraud, waste and abuse in the crop insurance program. On November 17, 1999, RMA issued an Informational Memorandum, and a November 24, 1999 Press Release, to communicate support in using GIS/GPS technology for crop insurance purposes.

ACTION:

1) Acreage Reporting Service: GIS/GPS technology may be used to secure acreage report information for the purposes of providing insurance coverage. This service may be provided at no charge to the insured producer.

2) Agent Involvement: Crop insurance agents and their representatives may be trained by the insurance provider to measure acreage for acreage reporting purposes using GIS/GPS technology and equipment. However, in accordance with Section V.G.2. of the Standard Reinsurance Agreement, no crop insurance agent or their representatives may be involved in the verification of acreage measurements for loss adjustment purposes regardless of the means of measurement.

3) Loss Adjustment: GIS/GPS measurements taken to report insured acreage may be used for loss adjustment purposes. However, final acreage determinations must be verified by the loss adjuster at the field level in accordance with the proper loss adjustment manual to ensure that all harvested and unharvested acres are properly accounted for and to determine whether actual field locations and boundaries are consistent with the acreage report information.