



United States
Department of
Agriculture

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Risk
Management
Agency

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

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FROM: James Callan /s/ James Callan 11/04/2005
Acting Administrator

SUBJECT: Emergency Loss Procedures for Crops Damaged By Hurricane Wilma

BACKGROUND:

On October 24, 2005, Hurricane Wilma damaged crops in certain Florida counties. The Risk Management Agency (RMA) is authorizing emergency loss adjustment procedures that will streamline certain loss determinations on specific crops to accelerate the adjustment of losses and issuance of indemnity payments to crop insurance policyholders in the affected areas.

ACTION:

RMA authorizes the use of these emergency loss procedures to apply to the following Florida counties:

Brevard, Broward, Charlotte, Collier, DeSoto, Glades, Hardee, Hendry, Hernando, Highlands, Hillsborough, Indian River, Lake, Lee, Manatee, Martin, Miami-Dade, Monroe, Okeechobee, Orange, Osceola, Palm Beach, Pasco, Pinellas, Polk, St. Lucie, Sarasota, Seminole, and Volusia.

Application of the emergency procedures is limited to those situations where the catastrophic nature of the losses is such that not authorizing these emergency loss procedures would result in unnecessary delays in processing claims. AIPs must place documentation in claim files noting the use of these procedures and stating the damage is so extensive that application of existing Federal Crop Insurance Corporation (FCIC) issued loss adjustment procedures would cause unnecessary delays in processing claims. These emergency procedures are necessary to accelerate the adjustment of losses and issuance of indemnity payments.



The Risk Management Agency Administrators
And Oversees All Programs Authorized Under
The Federal Crop Insurance Corporation
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RMA authorizes the following emergency procedures for all crops:

- (1) Due to the destruction of lines of communication, many policyholders are unable to communicate with their agents to report losses. In lieu of the requirement to report damage within 72 hours, companies may consider individual circumstances in accepting delayed Notices of Loss in accordance with the Loss Adjustment Manual (LAM) Standards Handbook, FCIC-25010, paragraph 69A. Delayed notices of loss or claim because of the hurricane do not require completion of the special report required by the LAM paragraph 69 G. In cases where the delayed claim was due to the hurricane, document such in the narrative of the Production Worksheet.
- (2) AIPs may use reported acres certified on the Acreage Report as determined acres for claim purposes unless:
 - a. Acceptable measured acres as defined in the LAM are readily available (e.g. acreage determined during a previous inspection, insured provides an acreage measurement record.); or
 - b. Based on visual observations at the time of loss adjustment, it is determined the acres appear unreasonable. If it appears unreasonable, the acreage must be determined according to LAM procedures.

NOTE: Current FCIC issued loss adjustment procedures do not require the use of Farm Service Agency (FSA) documents, aerial photos, FSA-578, etc., to verify crop acreage or share. Area FSA Offices will be facing increased workloads during this period.

- (3) If the crop (other than nursery or citrus fruit and trees) is destroyed:
 - a. On the entire unit and there is no harvestable potential or any remaining production:
 1. Complete the claim forms as appropriate based on the type of claim (Replant, Stage, or Final) and show no production to count.
 2. An appraisal worksheet is not required.
 - b. On part of the unit, field, or subfield:
 1. Estimate the acreage in the field or subfield based on the certified acreage from the acreage report (refer to number (2) above).
 2. Complete the claim forms based on the type of claim (Replant, Stage, or Final) and show no production to count for the destroyed field or subfield.
 3. An appraisal worksheet is not required.

- (4) If the crop (other than nursery or citrus fruit and trees) is not destroyed:
 - a. A minimum number of three representative samples per unit are required without regard to the size of acreage if the damage is consistent. If there are more than three fields, and the damage is consistent, only one representative sample per field or subfield is required.
 - b. Estimate the acreage in the field(s) or subfield(s) based on the certified acreage from the Acreage Report (refer to number (2) above).
 - c. Record the harvested or appraised production on the applicable Appraisal or Production Worksheet.
- (5) FOR NURSERY:
 - a. The new nursery policy's 2006 crop year began on October 1, 2005. All Hurricane Wilma claims will be determined in accordance with the new policy and procedures and any additional emergency loss procedures that may be issued as needed. The nursery appraisal software is available on the RMA website at <http://www.rma.usda.gov/tools/eplpps/>. The 2006 Nursery Loss Adjustment Standards Handbook is also available on RMA's website.
 - b. Collateral damage incurred while clearing debris or rehabilitating damaged plants is not an insurable cause of loss.
- (6) FOR CITRUS FRUIT
 - a. Due to the amount of immature fruit on the ground it may not be practical to adjust citrus fruit losses using the ground count method; therefore, insurance providers may utilize the procedure for hurricane and/or tornado losses currently contained in the Florida Citrus Fruit Loss Adjustment Standards Handbook (LASH), Adjusters Citrus Worksheet instructions for Part I. If a certification of previous crop years' production records is used to determine the average yield, refer to item 28 in Part II and in particular the NOTE.
 - b. Fruit remaining on the tree must be deducted from the estimated yield and accounted for in the usual manner. Document previous harvest/claim records, calculations, and other pertinent information on a Special Report or in the "Remarks" section of the Production Worksheet.
 - c. A minimum of three continuous years, up to a maximum of ten years, including the previous crop year of the producer's certification of verifiable records should be used to determine the average yield (potential production). If a certification of verifiable records is not available, contact the Valdosta Regional Office at rsoga@rma.usda.gov for an average yield based on the variety and age of the tree.
 - d. In instances where the damaged fruit is to be sold as juice, companies may use the Freeze-Damage Determination Method loss adjustment procedures detailed in the LASH. Such fruit is normally considered more than 16 percent damaged. This should allow producers to better clear their groves of damaged fruit. To do otherwise would encourage salvageable fruit to remain unharvested and be considered totally lost.

- e. The Florida Citrus Fruit policy, Section 10 (b)(2)(i) states “Citrus fruit will be considered undamaged potential production if it is... (i) Marketed or could be marketed as fresh fruit...” If the fresh market citrus crop cannot be marketed as fresh fruit due to an insurable cause, it is considered lost. Therefore, the appraisal method entitled "Fresh-fruit Hail-scar Damage Method" should be used for fresh market citrus crops (types IV, V, VI, and VII) that suffered hurricane or tropical storm wind scar damage and are not marketable as fresh fruit. However, if the insured harvests the crop as fresh fruit use packing records in lieu of the hail-scar damage method to determine production to count.
- f. A certification of the average of at least the three most previous crop years’ verifiable production records may be used to estimate the fruit yield if ground count of downed fruit is impractical. Fruit remaining on the tree must be deducted from the estimated yield and accounted for in the usual manner (packed fresh fruit). Document previous harvest/claim records, calculations, and other pertinent information on a Special Report or in the “Remarks” section of the Production Worksheet (claim form).
- g. For any harvested citrus crop grown and insured for juice production (Types I, II, and III) use processor records in lieu of fruit on-tree appraisals for determinations of percent damage.
- h. The minimum number of representative samples of trees for determining fruit-on-trees when the loss adjuster (based on visual observations) determines consistent damage is shown on the following table:

Number of Acres	Select
10.0 or less	The lesser of 5 trees or 5% of the number of trees in the orchard (rounded to the nearest whole tree)
10.1 to 100.0	5 trees for the first 10 acres, plus 1 tree per additional 10.0 acres
100.1 or more	14 trees for the first 100 acres, plus 1 tree per additional 100.0 acres

- i. The fruit measurement requirement in item No. 17 of the Adjuster Citrus Worksheet may not be applicable because of immature fruit. If not, use the average fruit numbers provided, by crop, in the following table:

Crop		Average Fruit Per Box
Early/Mid		247
Valencia		202
White Grapefruit		90
Colored Grapefruit		98
Navels		133
Temples		211
Tangelos		220
Tangerines	Fallglo	236
	Sunburst	297
Honey Murcotts		252
Lemons		280

(7) FOR THE FLORIDA FRUIT TREE PILOT (FFTP):

To expedite FFTP loss adjustment, the following guidelines are approved to establish a deviation in the appraisal procedure as outlined in Section 7 A. of the FFTP LASH. For appraisal deviation purposes loss adjusters, working with insured producers, may designate blocks of damaged, undamaged, and destroyed trees. The following actions are authorized for FFTP loss adjustment:

- a. Trees reported and certified on the Acreage Report prior to the date of loss may be used as the actual number of trees for claim purposes unless:
 - 1. An alternate, acceptable measure of the number of trees is readily available (e.g., number of trees determined during a previous inspection, insured provides a tree inventory record, etc.).
 - 2. It is determined (based on visual observation at loss adjustment time) that the reported number of trees appears to be unreasonable, in which case, the number of trees must be determined according to LASH procedure.
- b. In lieu of the FFTP, LASH instructions outlined in Section 7. A. (3) for Non-Asiatic Citrus Canker (ACC) losses, the requirement to complete Appraisal Worksheets for the entire unit is waived. Companies may divide units into blocks of damaged, undamaged, and destroyed trees.

1. Blocks of damaged trees require an Appraisal Worksheet as specified in the LASH.
 2. Blocks of undamaged trees do not require an Appraisal Worksheet, but must be accounted for on the Production Worksheet as outlined in Section c. of these guidelines.
 3. Blocks of trees destroyed with no remaining value do not require an appraisal worksheet.
- c. With the signed consent of the insured, adjusters may show blocks that are undamaged as a separate line item on the Production Worksheet.
- d. In addition to the instructions for completing Section I, Item C of the Production Worksheet, authority is granted to modify the instructions to add: “c. Undamaged trees in the unit” to allow undamaged trees to be accounted for on the Production Worksheet and to add “d. trees totally destroyed.” Section I of the Production Worksheet should be completed following the instructions in the Handbook with the following exceptions:
1. Item A: Field ID: The grove identification symbol for the block of undamaged trees.
 2. Item C: Enter the number of undamaged trees in the agreed upon block of trees.
 3. Item I: Intended or Final Use: Enter “NON” for undamaged trees or “NON” for trees that are destroyed.
 4. Item L: Shell and/or Quality Factor: Enter “1.00” if there is no damage to the block. Enter “0.00” if the block is destroyed.
- e. The requirements of the LASH listed in Table A – Minimum Sample Requirements for Representative Samples are waived. The minimum sample size under this appraisal deviation is reflected in the following table provided, based on visual observation, damage is consistent. Additional samples should be taken, as necessary, to assure accurate appraisals.

Number of Trees	Select
1,000 or less	5 trees
1,001 and above	5 trees for the first 1,000 trees plus 1 tree per additional 1,000 trees

DISPOSAL DATE:

This bulletin remains in effect until all losses for crops damaged by Hurricane Wilma have been adjusted.