



United States Department of Agriculture

Farm and Foreign Agricultural Services
Risk Management Agency

January 20, 1999

INFORMATIONAL MEMORANDUM: R&D-99-003

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Tim B. Witt /s/ Tim B. Witt
Deputy Administrator

SUBJECT: Issuance of Slipsheets (FCIC 18010-03) to Update the 1998 FCIC 18010 Crop Insurance Handbook (CIH) for the 1999 Crop Year

BACKGROUND:

The Risk Management Agency (RMA) is transmitting changes that apply to Catastrophic Risk Protection (CAT), limited, and additional coverage via 1998 FCIC 18010-03 slipsheets. Therefore, the 1998 FCIC 18010 with slipsheets dated January 1998 (FCIC 18010-01), July 1998 (FCIC 18010-02), and January 1999 (FCIC 18010-03) will be effective for the 1999 crop year.

Procedures contained in the FCIC 18010 have been updated to include revisions to the Common Crop Insurance Policy, basic policy provisions, and changes or additions to the existing procedure for clarification purposes.

SUMMARY OF PROCEDURAL CHANGES:

As a reminder, crop year references and examples throughout the CIH have not been updated unless the page was being slipsheeted for another reason. Use the date in the header to determine whether or not the crop year references on a page are current. Changes or additions to the existing procedure for clarification purposes have been shaded. Changes in numbering, language, etc., are not shaded when the procedure remains the same.



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The following is a summary of the more significant changes:

Section 3, Definitions

- Definitions have been updated to agree with the changes to the Basic Provisions, Crop Provisions, or Special Provisions.

Section 4, General Rules

- Updated the annual administrative fees for additional, limited, or CAT coverage.
- Added different coverage levels may be selected on each different policy for Hybrid Seed Corn and Hybrid Sorghum Seed grown under contract with more than one seed company.
- Updated procedure to allow the landlord to insure the tenant's share, or the tenant to insure the landlord's share, if indicated on the application.
- Provided clarification on Insurance Provider's responsibilities in administering the "all counties" application procedure.
- Added procedure acknowledging that insureds may receive emergency loans in addition to crop insurance indemnities as provided under subtitle C of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961 et seq.).
- Added procedure for late planting (LP) and prevented planting (PP) to reflect recent Basic Provisions policy changes.
- Clarified the Northern Certified Seed Potato and Northern Potato Storage Coverage Endorsement.
- Updated intended acreage report procedure.
- Updated written agreement chart.

Section 6, Category B Actual Production History (APH) Crop Procedure

- Added Pilot Yield Floor Option available only in Minnesota, North Dakota and South Dakota.
- Added procedure to indicate yield limitations do not apply when the required RMA Regional Service Office (RSO) yield determinations are waived by the RMA RSO and the Insurance Provider is authorized to calculate the approved APH yield.

- Clarified acceptable production to count when insured under the Northern Potato Crop Provisions.

Section 7, Category C APH Crop (Perennial Crops) Procedure

- For the 2000 crop year, Insurance Providers may be authorized to perform the inspection and determine the applicable guarantee for Texas Citrus Fruit.
- Added procedure to indicate yield limitations do not apply when the required RMA RSO yield determinations are waived by the RMA RSO and the Insurance Provider is authorized to calculate the approved APH yield.
- Clarified unusual cases submitted to the RMA RSO for determinations in approving APH yields for perennial crop acreage.

Section 8, Other Coverage Plans

- Changed CAT coverage for peanuts to 55 percent of the maximum price for both quota and non-quota peanuts.

Section 11, Reconsiderations, Mediation, and Appeals

- Added for Blueberries in the states of Maine, Mississippi, and New Jersey; and Texas Citrus: if a preliminary yield was not calculated and the approved APH yield is not acceptable to the insured, the insured may request mutual consent cancellation if insured at the limited or additional coverage levels.

Section 14, APH Field Review Information

- Clarified APH review procedures and the application of tolerances.

Exhibit 1, Crop Policy Chart

- Updated policy information and form number of policies that have been published as final rule in the Federal Register.

Exhibit 22, Additional Malting Barley Procedure

- Removed procedure for restructuring databases established for carryover insureds under the 95-91A Malting Barley Endorsement.
- Added requirements for acceptable production records for feed Barley insured under Option A of the Malting Barley Price and Quality Endorsement.

Exhibit 25, Forage Production Underwriting Report

- Clarified if the Winter Coverage Endorsement is NOT in effect, the Forage Production Underwriting Report is due by the Spring Acreage Report Date

Exhibit 32, Entities: Definition, Determination, and Documentation

- Added the landlord and tenant must have separate contracts unless the application clearly states the landlord will insure the tenant's share or the tenant will insure the landlord's share.

Exhibit 37, New Producers

- Clarified that New Producers who still qualify would use New Producer procedures for added land/P/T/V without records added as a separate unit or to an existing unit.
- Clarified New Producers and Insurance Providers must document the new producer status by the production reporting date.
- Added if the agent/representative fails to correctly identify the new insured as a New Producer, the error may be corrected up until the acreage reporting date with Insurance Provider approval.

ACTION:

Slipsheets to the CIH (WordPerfect 6.1) may be accessed VIA the Internet (RMA Web Site http://www.act.fcic.usda.gov/pub/Publications/crop_ins_handbook/1999) and Reporting Organization (RO) Server. Handbooks and other related materials retrieved from the Internet are for informational purposes only. Official copies of the Handbook including Slipsheets may be obtained from an approved insurance provider or the Risk Management Agency. For questions regarding this information, please contact Steve Vollrath of the Product Development Division at (816) 926-7965. For technical questions regarding the telecommunications systems, or to receive previous RO Server releases, please contact Herb Solomon at (816)926-1608.

DISPOSAL:

This Informational Memorandum is for the purpose of transmitting/updating information and the disposal date is April 30, 1999, for administrative tracking purposes. The Handbook with the updated slipsheets will remain in effect until superseded.

Attachment