



United States
Department of
Agriculture

Farm Production and
Conservation

Risk
Management
Agency

Topeka Regional Office

2641 SW Wanamaker
Road
Suite 201
Topeka, Kansas 66614-
4971

Telephone:
(785) 228-5512

Fax:
(785) 228-1456

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INFORMATIONAL MEMORANDUM

TO: All Approved Insurance Providers Writing in the State of Missouri

FROM: Collin Olsen /s/ *Collin Olsen*
Director, Topeka RO

SUBJECT: Updated Actuarial Offers for Repaired Levees in Missouri

I. **BACKGROUND**

Due to the 2019 flood event, levees along the Missouri and Mississippi Rivers and tributaries in Missouri were breached. The following is a 2020 crop year policy provision ("Breached Levee Statement") in the Special Provisions for spring planted crops with a 11/30 filing date:

"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 at least the same crop yield potential as 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 is repaired to prior design specifications, and the soil has 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. If the levee has been temporarily or permanently repaired, but not to prior design specifications, by the latter of the sales closing date or earliest planting date, and the soil has at least the same crop yield potential as before the flood, then RMA may adjust the rate to an amount consistent with the level of flood risk by written agreement, if applicable. For RMA to consider any levee repair, RMA must be provided a certification from the U.S. Army Corps of Engineers or signed and sealed certification from a professional engineer who is currently licensed and registered in the state where the levee is located. For soils to be considered restored to the same crop yield potential as before the flood, you must sign a statement that damaged soil (if any) has been restored to at least the same crop yield potential as prior to the flood event."

II. **2020 ACTUARIAL INFORMATION BROWSER (AIB)**

The 2020 Actuarial Information Browser (AIB) has been updated periodically since early March 2020. It was last updated on April 24, 2020. With this Informational Memo, the AIB has been updated to reflect the subcounty area and high-risk rates of the land flooded by breached levee(s) that have not been certified as repaired as of the

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earliest plant date for corn. The AIB can be found at
webapp.rma.usda.gov/apps/actuarialinformationbrowser/

III. BREACHED LEVEE - UPDATED ACTUARIAL OFFERS FOR REPAIRED LEVEES OFFERS (BL OFFERS)

In the application of the breached levee statement (Section I), two situations exist in which the current 2020 AIB will not fully reflect the map classification and or subcounty areas:

- (1) *Levee repairs which were completed prior to Earliest Planting Date (EPD) for all crops, but to a lower level of protection than was in place prior to the breach.*

In this case, a ZZZ map area has been created and is shown on the Actuarial Information Browser (AIB). No corresponding rate was published on the actuarial documents for that area; therefore, AIPs must assign the Breached Levee – Updated Actuarial Offers for Repaired Levees offer number to all policyholders who plant an insurable crop on acres in the ZZZ area in order for the policyholders to receive the reduced rate.

- (2) *Levee repairs which were completed after the EPD for one or more crops, but before the EPD for other insurable crops.*

In this case, a BL Offer offer will be issued for crops for which the EPD has not yet passed. AIPs should assign that Breached Levee – Updated Actuarial Offers for Repaired Levees offer number to all policyholders who planted those crops in the area protected by the repaired levee.

To address these two situations, RMA has developed an innovative solution to streamline high risk rate adjustments in response to completed levee repairs. *BL Offers*, administered through the Regional Office Exceptions (ROE) system, will apply the high risk rate to the proper subcounty map area. This process eases the paperwork burden on policyholders, agents, and Approved Insurance Providers (AIPs).

The *BL Offer* is similar to a written agreement offer but is initiated by the Topeka Regional Office. The document has a WA Number, and identifies the crop, subcounty area and high-risk rates, and can be applied to all acreage behind a specified levee system. In short, RMA has adjusted the high-risk rate for all the acreage behind a repaired and certified levee system without insureds having to submit a written agreement request. The Topeka Regional Office have developed 10 of these *BL Offers*, which are located at:

ftp://ftp.rma.usda.gov/pub/Miscellaneous_Files/Breached_Levees/Updated%20Actuarial%20Offers%20for%20Repaired%20Levees/

IV. COUNTIES AFFECTED

BL Offers have been issued for eligible levee districts in the following Missouri counties: Callaway, Carroll, Howard, Jackson, Lewis, Lincoln, and Saline.

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V. BL - OFFERS FOR REPAIRED LEVEES BY LEVEE DISTRICTS

A. Levee repairs completed prior to Earliest Planting Date (EPD) for all crops, but to a lower level of protection than was in place prior to the breach.

Repaired As of	Levee Name	Gage Hght (ft)	Gage Name	County	HR Classification All Crops	
					ZZZ	WA Number:
1/28/2020	Union Township Levee/1	24	Gregory Landing	Lewis	ZZZ	200540711
3/20/2020	Schramm Private Levee/1	31.6	Winfield Lock & Dam 25 (lower)	Lincoln	ZZZ	200545911
3/11/2020	Howard County Levee District No 4/1	28	Boonville	Howard	ZZZ	200547011
3/2020	Jaeger Levee (Private)/2	30.5	Clarksville	Pike	--	200575411

/1 For levee systems temporarily or permanently repaired but to less than pre-flood level of protection, the High Risk acreage will have a map classification of ZZZ and the subcounty high-risk rate based on the level of protection in the above table. RMA issued the ZZZ rate through a *BL Offer* via the RMA ROE system.

/2 Jaeger Levee (Private) was certified repaired (to less than pre-flood level of protection) in June 2020. However, the repairs were completed in March, before the earliest plant date for all crops. For this levee system, there is not a map classification of ZZZ. Rather, the subcounty high-risk rate for the fields behind this levee will be based on the level of protection in the above table, and issued by RMA via a *BL Offer*.

B. Levee repairs completed after the EPD for one or more crops, but before the EPD for the balance of the insurable crops.

Repaired As of	Levee Name	County	HR Classification	
			Soybeans	Grain Sorghum
4/2/2020	Fortmeyer Levee/1	Jackson	WA Number: 200541011	
4/10/2020	Mi-De Levee/1	Carroll	WA Number: 200546111	
4/14/2020	Riverside Levee/1	Carroll	WA Number: 200543811	

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B. Levee repairs completed after the EPD for one or more crops, but before the EPD for the balance of the insurable crops. (Continued)

Repaired As of	Levee Name	County	HR Classification	
			Soybeans	Grain Sorghum
4/14/2020	Private Levee #2 (Tull Isl. Levee)/1	Carroll	WA Number: 200543411	
4/14/2020	Carr-Sal Levee/1	Carroll	WA Number: 200545811	
4/14/2020	Carr-Sal Levee/1	Saline	WA Number: 200543011	
4/21/2020	Stoner Island/2	Callaway	--	WA Number: 200547711
4/15/2020	Private Levee #7/1	Osage	WA Number: 200625011	

/1 The Fortmeyer Levee, Mi-De Levee, Riverside Levee, Private Levee #2 (Tull Island Levee), Carr-Sal Levee and Private Levee #7 repairs were completed after the corn earliest planting date (4/1). The actuarial map will apply for corn, unless a producer plants corn on or after the date the levee was repaired and requests a written agreement certifying the date corn was planted. For soybeans and grain sorghum, the *BL Offer* via the RMA ROE system can be applied by the AIP without the insured requesting a written agreement.

/2 The Stoner Island levee repairs were completed after the corn earliest planting date (4/1) and after the soybean earliest planting date (4/20). The actuarial map will apply for corn and soybeans, unless a producer plants corn or soybeans on or after the date the levee was repaired and requests a written agreement certifying the date corn or soybeans was planted. For grain sorghum, the *BL Offer* via the RMA ROE system can be applied by the AIP without the insured requesting a written agreement.

VI. ACTION

The Topeka Regional Office have developed 10 *BL Offers*, which are located at:
ftp://ftp.rma.usda.gov/pub/Miscellaneous_Files/Breached_Levees/Updated%20Actuarial%20Offers%20for%20Repaired%20Levees/

AIPs may apply the *BL Offer* via RMA ROE system to the levee systems and applicable crops identified in Section V. To apply the *BL Offers*, the AIP only needs to apply the **WA number** on the levee specific *BL Offer* to the affected policyholders for the rate reduction to take effect.

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As noted, to receive the rate reduction associated with the repaired levee for the levees identified in Section V, producers behind the levee systems do not need to submit a Request for Actuarial Change for a Written Agreement to RMA. By applying the *BL Offer*, the AIP will adjust the high-risk rate for all the acreage behind a repaired and certified levee system without the insured's submittal of a written agreement request.

For more information on the breached levee statement, including “prior specifications,” “damaged soil,” and requesting written agreements, please visit our Frequently Asked Questions document at www.rma.usda.gov/News-Room/Frequently-Asked-Questions/Breached-Levee-Statement.

Disposal: Effective until otherwise superseded or the actuarial map is updated in the AIB for the county.