October 9, 2020

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 2021 crop year policy provision (“Breached Levee Statement”) in the Special Provisions for fall planted crops with a 6/30 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 restored to the classification designated prior to the breach. 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. 2021 ACTUARIAL INFORMATION BROWSER (AIB)

The 2021 Actuarial Information Browser (AIB) has been updated periodically since early September 2020. It was last updated on October 2, 2020. With this Informational Memorandum, 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
III. BREACHED LEVEE - UPDATED ACTUARIAL OFFERS FOR REPAIRED LEVEES

OFFERS (BL OFFERS)

In the application of the breached levee statement (Section I), one situation exists in which the current 2021 AIB will not fully reflect the map classification and or subcounty areas:

(1) Levee repairs which were completed prior to Sales Closing Date 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.

To address this situation, 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 Written Agreement (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 has developed 4 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: Howard, Lewis, Pike, and Ste. Genevieve.

V. BL - OFFERS FOR REPAIRED LEVEES BY LEVEE DISTRICTS

A. Levee repairs completed prior to Sales Closing Date (SCD) for all crops, but to a lower level of protection than was in place prior to the breach.
Breached Levee - Updated Actuarial Offers for Repaired Levees to Adjust Actuarial Rates Resulting from Breached Levees in Missouri
October 9, 2020

<table>
<thead>
<tr>
<th>Repaired As of</th>
<th>Levee Name</th>
<th>Gage Hght (ft)</th>
<th>Gage Name</th>
<th>County</th>
<th>HR Classification Wheat</th>
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<tbody>
<tr>
<td>1/28/2020</td>
<td>Union Township Levee</td>
<td>24</td>
<td>Gregory Landing</td>
<td>Lewis</td>
<td>ZZZ</td>
</tr>
<tr>
<td>3/11/2020</td>
<td>Howard County Levee District No 4</td>
<td>28</td>
<td>Boonville</td>
<td>Howard</td>
<td>ZZZ</td>
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<tr>
<td>3/2020</td>
<td>Jaeger Levee (Private)</td>
<td>30.5</td>
<td>Clarksville</td>
<td>Pike</td>
<td>ZZZ</td>
</tr>
<tr>
<td>9/16/2020</td>
<td>Ste. Genevieve Levee #2</td>
<td>38</td>
<td>Chester (IL)</td>
<td>Ste Genevieve</td>
<td>ZZZ</td>
</tr>
</tbody>
</table>

VI. ACTION
The Topeka Regional Office has developed 4 BL Offers, which are located at: [ftp://ftp.rma.usda.gov/pub/Miscellaneous_Files/Breached_Levees/Updated%20Actuarial%20Offers%20for%20Repaired%20Levees/](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.

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.


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