

MGR-20-008: COVID-19 Relief: Self-Certification Replant Inspections & Assignment of Indemnity Witness Waiver

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Date

April 3, 2020

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Martin R. Barbre, Administrator /s/ Martin R. Barbre

Subject

COVID-19 Relief: Self-Certification Replant Inspections & Assignment of Indemnity
Witness Waiver

Background

Many state and local governments have issued “stay-at-home” orders in response to the COVID-19 pandemic, which may prevent loss adjusters from completing on-the-farm replant inspections and obtaining associated signatures required for replant certification purposes. In the absence of “stay-at-home” orders, loss adjusters and policyholders may also be prevented from meeting in person due to concerns of spreading COVID-19.

The Risk Management Agency (RMA) recognizes the challenges the crop insurance industry and America’s farmers and ranchers face and will provide flexibility that supports the health and safety of all parties, while also ensuring the Federal crop insurance program continues to serve as a vital risk management tool.

Replant Self-Certification

Per the 2020 Loss Adjustment Manual (LAM), Approved Insurance Providers (AIPs) may allow the use of self-certification replant inspections for certain crops with 50 gross acres (before considering share) per unit or less to be replanted.

Authorized crops include: barley and wheat not covered by the Winter Coverage Endorsement (both initially planted winter and spring crops), buckwheat, canola and rapeseed, corn, dry beans, flax (spring-seeded only), grain sorghum, mustard, oats (spring-seeded only), popcorn (including popcorn revenue), peanuts, safflowers, soybeans, sugar beets, and sunflower seed.

The self-certification replant program provides a policyholder with consent to replant and allows the AIP to complete replanting payment claims without an on-the-farm replant inspection.

Assignment of Indemnity

An insured may assign the right to an indemnity payment for a crop(s) under a policy to a creditor(s) or other persons to whom the insured has a financial debt or other pecuniary obligation by using an Assignment of Indemnity Form (Assignment). An Assignment is between the AIP, the insured and a creditor. This form requires signatures by the insured, a witness and the creditor before it can be approved by the AIP and become effective.

Industry representatives are experiencing difficulties obtaining witnesses and have requested relief regarding witness signatures.

Action

Replant Self Certification

For the 2020 crop year only, AIPs are authorized to allow self-certification replant inspections for up to 100 gross acres (before considering share) per unit in lieu of 50 acres. All references to the 50-acre limitation as it relates to self-certification replant inspections in the 2020 LAM will be replaced with 100 acres.

In addition, AIPs are authorized to allow policyholders that have elected Basic (BU) or Enterprise Units (EU), to apply the 100-acre limitation, and perform self-certification replant inspections up to 100 acres, for each of the underlying databases that could qualify as separate optional units under the BU; or separate

optional or basic units under the EU.

All other replanting requirements remain unchanged. Guidance on self-certification replant inspections can be found in the 2020 LAM, subparagraph 722B and Exhibit 8.

If there is any reason to suspect that the policyholder will misrepresent information regarding the replanting claim, an on-the-farm replant inspection must be conducted by the AIP.

Assignment of Indemnity

AIPs are authorized to waive the witness signature requirement for approval of Assignments through July 15, 2020, as applicable for crop years 2019 through 2021. The insured's and creditor's signature on the Assignment continues to be required in a pen and ink signature and in the hand of the person whose signature is required or an acceptable electronic (digital) signature in accordance with the AIPs established Electronic Business Implementation Plan and requirements in the Document and Supplement Standards Handbook.

Since the witness requirement is waived, AIPs must obtain and maintain documentation for proof of debt or other pecuniary obligation before an Assignment is accepted.

DISPOSAL DATE:

December 31, 2020