

## **MGR-17-013.2**

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Date

September 22, 2017

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Heather Manzano, Acting Administrator /s/ Heather Manzano

Subject

Additional Emergency Procedures for Crops Damaged by Hurricane Harvey

### **Background**

On September 1, 2017, the Risk Management Agency (RMA) issued MGR-17-013, Emergency Procedures for Crops Damaged by Hurricane Harvey, authorizing emergency procedures for all Texas and Louisiana counties impacted by Hurricane Harvey.

On September 11, 2017, RMA issued MGR-17-013.1 listing the impacted counties and parishes affected by Hurricane Harvey.

RMA is providing additional emergency procedures to ensure fair and consistent application of the Federal crop insurance program.

### **Action**

(1) For situations where the edible portion of an insured crop has been exposed to flood waters:

- (a) Follow procedures found in subparagraphs 1108A and 1102H(3) of the Loss Adjustment Manual Standards Handbook (LAM) on Flooded Crops and Zero

Market Value (ZMV) Production.

(b) AIPs may finalize claims based on policyholder's signed certification that the production will be destroyed. This certification may be included in the narrative of the production worksheet or on a separate certification form. The policyholder must sign and date the certification statement stating:

"I acknowledge my crop has been exposed to flood waters and is considered adulterated in accordance with FDA guidelines and:

(i) For COTTON ONLY, I will not have the cotton ginned or attempt to have the cotton ginned;

(ii) For ALL CROPS, all such production will be destroyed in accordance with any applicable method prescribed by State or Federal regulations, as soon as possible but no later than December 31, 2017, unless an extension has been granted by my AIP; and

(iii) I understand that if any portion of my ZMV production is salvaged (sold, ginned, etc.), I will notify my AIP immediately; resulting in an adjusted claim and repayment of any overpaid indemnity."

**NOTE:** Because cottonseed is a food/feed product and cannot be separated from the lint without ginning, any cotton exposed to flood water is considered adulterated in accordance with FDA guidelines. This production will be considered zero production to count provided the policyholder signs the appropriate documents with the certification statement identified above.

**EXCEPTION:** The unsubmerged portions of cotton modules that have been exposed to flood or standing water may be salvageable. Therefore, AIPs should use caution in releasing any such cotton that may have portions of production ginned. Any cotton ginned from such modules will be considered production to count and any remaining cotton, either adulterated or unsalvageable, will not be considered production to count.

(2) For situations where cotton has not been exposed to flood water but is considered unable to be ginned due to an insurable cause of loss:

(a) Follow procedure found in subparagraph 1102H of the LAM on ZMV Production.

(b) The AIP must obtain documentation from the gin stating the cotton is unable to be ginned.

(c) AIPs may finalize claims based on policyholder's signed certification that the production will not be ginned and will be destroyed. This certification may be included in the narrative of the production worksheet or on a separate certification form. The policyholder must sign and date the certification statement stating:

"I will not attempt to gin any cotton that is considered ZMV and will destroy the production, utilizing a destruction method that will render the cotton unusable, as soon as possible but no later than December 31, 2017, unless an extension has been granted by my AIP. I understand that if any portion of my ZMV production is salvaged (sold, ginned, etc.), I will notify my AIP immediately; resulting in an adjusted claim and repayment of any overpaid indemnity."

(3) AIPs are authorized to provide additional time for policyholders to make payment for Written Payment Agreements due between September 1, 2017, and November 1, 2017. Payments may be extended up to 60 days of the scheduled payment due date and considered a timely payment. Such extension of time will not be considered a modification of the Written Payment Agreement and the AIP may waive any additional interest for the payment during this 60 day time period.

**DISPOSAL DATE:**

December 31, 2017