

PM-20-038

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Date

June 18, 2020

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Richard H. Flournoy, Deputy Administrator /s/ Richard H. Flournoy 6/18/2020

Subject

Sugarcane Actual Production History Plan of Insurance and Sugarcane Crop Replacement Endorsement (CRE) Changes Effective for the 2021 and Succeeding Crop Years

Background

On March 5, 2020, the Federal Crop Insurance Corporation Board of Directors (Board) approved policy changes, submitted by private submitters, to the Sugarcane Actual Production History (APH) plan of insurance for the 2021 and succeeding crop years in accordance with Section 508(h) of the Federal Crop Insurance Act (Act). The Act states, "Private Sector individuals may submit: (1) crop insurance policies, (2) provisions of policies, or (3) rates of premiums." To ease the administrative burden on Approved Insurance Providers (AIP) and help insured producers better understand the changes, the Risk Management Agency (RMA) will incorporate the approved changes into the existing Sugarcane Crop Provisions (CP). The approved changes applicable to the Sugarcane CP are as follows:

- Account for APH determination for acreage cut for seed when 100 percent of the unit is cut for seed; and
- Clarify the date by which acreage cut for seed must be reported.

On March 5, 2020, the Board also approved changes to the Sugarcane Crop Replacement Endorsement (CRE) for the 2021 and succeeding crop years. The approved changes to the CRE are as follows:

- Add option B to provide crop replacement coverage without depreciation; and
- Specify the default coverage option when election is not made.

The Sugarcane Loss Adjustment Standards Handbook (LASH) and Insurance Standards Handbook (ISH) were also revised to incorporate the changes to the CP and CRE.

Action

The 2021 crop year changes to the Sugarcane CP, CRE, LASH, ISH, and actuarial documents will be released by close of business, June 30, 2020, on the RMA website at www.rma.usda.gov.

AIPs must notify policyholders of these changes at least 30 days prior to the cancellation date, as required by the policy.

DISPOSAL DATE

December 31, 2020