

MGR-16-005

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Date

June 29, 2016

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Brandon C. Willis, Administrator /s/ Brandon C. Willis

Subject

Requirement to Report Field Location on the Acreage Report

Background

The Common Crop Insurance Policy, Basic Provisions (CCIP) section 6 and Area Risk Protection Insurance Policy (ARPI) section 8 require the insured to provide “the land identifier for the crop acreage (e.g., legal description, FSA farm serial number or common land unit (CLU) number if provided to you by Farm Service Agency (FSA), etc.) as required on our form.”

Tracking the location of insured land is essential for an improved understanding of the production risk covered by the crop insurance program and in establishing actuarially sound premium rates and insured yields. It enhances program integrity by allowing RMA to better track the geographical pattern of insurance claims and identify anomalies. This also supports the Acreage Crop Reporting Streamlining Initiative (ACRSI).

Since 2010, Approved Insurance Providers (AIPs) have increased the reporting of field location, as required in Appendix III of the Standard Reinsurance Agreement and in Informational Memorandums: IS-12-002 and IS-13-005. These memoranda conveyed the land location reporting plan through the 2016 reinsurance year,

serving as a roadmap to the future, while recognizing that certain modifications may be needed as additional program benefits or challenges are identified. For the 2016 reinsurance year, previous memoranda conveyed that each AIP was to report 100 percent of the total acreage by field location for all applicable insurance plans and coverage types (e.g. catastrophic, additional) provided in Appendix III.

As a service to their insureds, many AIPs have adopted technologies that facilitate the identification of field location. To better accommodate these new technologies, RMA developed the resource land unit (RLU) data standard in consultation with AIPs. Reporting by RLU enables field location reporting without specifically reporting a FSA Farm, Tract, and Field Number. In reinsurance year 2016, RLUs were authorized as a means to identify field location where CLUs did not exist.

Action

Beginning with the 2017 reinsurance year, insureds must report field location on the acreage report as required by section 6(c)(5) and 8(c)(5), respectively, of the Basic Provisions for the following insurance plans under CCIP and ARPI:

- 01 Yield Protection
- 02 Revenue Protection
- 03 Revenue production with Harvest Price Exclusion
- 04 Area Yield Protection
- 05 Area Revenue Protection
- 06 Area Revenue Protection with Harvest Price Exclusion.

The insured can meet the acreage reporting requirement for field location identification by:

- If known and accurate, providing the FSA Farm, Tract, and Field Number, including the FSA administrative State and County; or otherwise
- Clearly identifying the field location(s) and associated boundaries using AIP map-based reporting or other mapping resources which clearly delineate the fields' location.

AIPs must notify insureds of the reporting requirement for field location on the acreage report as required by the Basic Provisions. If an insured does not provide the field location, as required, on the acreage report for a CCIP or ARPI policy under insurance plans 01-06, any and all applicable unreported or misreported information

penalties would apply, including rejection of the acreage report and subsequent denial of liability to the insured.

AIPs must conform field location data provided by insureds under insurance plans 01-06 to the Appendix III CLU or RLU reporting standards. Any acreage discrepancies reported between RMA and FSA, such as a difference between a CLU field boundary and a field's planted acreage, will continue to be resolved as they have historically.

DISPOSAL DATE:

December 31, 2016