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Agriculture

Farm Production and  
Conservation

Risk  
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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

*Breached Levee - Updated Actuarial Offers for Repaired Levees to Adjust Actuarial Rates Resulting from Breached Levees in Missouri*

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certified as repaired as of the Sales Closing date for Wheat. The AIB can be found at [webapp.rma.usda.gov/apps/actuarialinformationbrowser/](http://webapp.rma.usda.gov/apps/actuarialinformationbrowser/)

**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/](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*  
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Repaired As of	Levee Name	Gage Hght (ft)	Gage Name	County	HR Classification Wheat	
1/28/2020	Union Township Levee	24	Gregory Landing	Lewis	ZZZ	WA Number: 210029711
3/11/2020	Howard County Levee District No 4	28	Boonville	Howard	ZZZ	WA Number: 210029311
3/2020	Jaeger Levee (Private)	30.5	Clarksville	Pike	ZZZ	WA Number: 210029911
9/16/2020	Ste. Genevieve Levee #2	38	Chester (IL)	Ste Genevieve	ZZZ	WA Number: 210026211

**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.

For more information on the breached levee statement, including “prior specifications,” “damaged soil,” and requesting written agreements, please visit our Frequently Asked Questions document at [www.rma.usda.gov/News-Room/Frequently-Asked-Questions/Breached-Levee-Statement](http://www.rma.usda.gov/News-Room/Frequently-Asked-Questions/Breached-Levee-Statement).

**Disposal:** Effective until otherwise superseded or the actuarial map is updated in the AIB for the county.