

MGR-20-030: Extending COVID-19 Relief

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Date

December 23, 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

Extending COVID-19 Relief

Background

In March 2020, the Risk Management Agency (RMA) began issuing Manager's Bulletins to provide program flexibilities in response to COVID-19. These RMA-issued COVID-19 flexibilities can be found on the web at www.rma.usda.gov/coronavirus-resources.

Recognizing that the delivery system continues to face challenges due to COVID-19, RMA remains committed to providing 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.

Action

This action supplements the earlier relief authorized by Manager's Bulletins: MGR 20-005, MGR 20-008, MGR 20-009, MGR 20-010, MGR 20-013, and MGR 20-026.

Electronic Notification and Signature Relief for Sales Closing (SCD) Production Reporting (PRD) and Acreage Reporting (ARD) Deadlines:

Relief under Manager's Bulletin MGR 20-026 is extended through July 15, 2021, for all applicable crop years, authorizing notifications to be sent electronically between the policyholder and their Approved Insurance Provider (AIP)/agent. Policyholders may provide information over the phone, retaining appropriate documentation of the call or by using electronic methods to select policy elections by the SCD, and to report policy related information by the PRD and ARD. This authority also extends to options, endorsements, and other forms with SCD, PRD, or ARD deadlines.

If the policyholder sends their reports in such a manner, they will be required to either sign digitally at the time of their report submission or follow up with a properly signed form(s) no later than 60 calendar days after the initial reporting deadline provided in the actuarial documents. The policyholder agrees to be bound by their initial certification and cannot make changes, other than those authorized by RMA procedure, after the applicable deadline.

Temporary Yields for Policyholders Directly Impacted by COVID-19:

For crop policies, in any applicable crop year, with an SCD between December 15, 2020 through March 15, 2021, AIPs are authorized to use the temporary yield procedure contained in the Crop Insurance Handbook (CIH) when a policyholder is unable to timely provide a production report due to their physical inability to meet the PRD deadline as a result of being directly impacted by COVID-19. The policyholder may report this impact electronically to their AIP who will document the use of the temporary yield. AIPs should use the temporary yield only in very limited situations, not as an alternative to PRD electronic reporting methods authorized in this bulletin. Additionally, a temporary yield must be replaced by an actual yield in the subsequent crop year and if a policyholder uses this exception to avoid reporting actual production history, assigned yields may apply.

Producer Submission Deadlines for Written Agreement Requests:

In accordance with Section 18(e)(1) of the Common Crop Insurance Policy, Basic Provisions, AIPs are reminded that producers may be able to submit a request for a written agreement after the SCD, but on or before the ARD, if they are able to demonstrate the physical inability, including self-certification of COVID-19 related issues, to submit the request (or required additional documentation) on or before the SCD.

AIP Submission Deadlines for Written Agreement Requests:

In accordance with paragraph 23 A (2) and (3) of the 2021 Written Agreement Handbook (WAH), RMA is granting AIPs additional time to submit written agreement requests and applicable documentation into the RMA Regional Office Exception (ROE) system. Only written agreement requests that have a submission deadline prior to July 1, 2021 (such as the Cancellation Date, SCD, ARD, or other deadline identified in the WAH) are receiving additional time. For these requests, AIPs have until 30 business days after the applicable producer submission deadline to submit the Request for Actuarial Change form and all applicable documentation into the RMA ROE system. The additional time applies to all written agreement types identified in the WAH.

Producer Signature Deadline for Written Agreement Offers:

If a written agreement offer is provided to the producer, but the producer fails to sign the offer by the expiration date identified on the offer, the producer's signature after the expiration date may still be accepted.

If the signature and date are executed after the expiration date of the written agreement offer, the producer must provide a self-certification, or other documentation, showing that COVID-19 caused a physical inability to sign the offer by the expiration date. This self-certification, or other documentation, must include a brief explanation of the circumstances surrounding the situation (such as, producer was quarantined, etc.) and must be included with the signed and accepted written agreement offer when returned to RMA.

Only written agreement offers issued by RMA on or before June 30, 2021, with an expiration date on or before July 30, 2021, allow producer signatures to be accepted after the expiration date with proper self-certification or documentation. All documentation and signatures for these offers must be completed no later than August 2, 2021. In lieu of paragraphs 54 and 56 of the 2021 WAH, written agreement offers signed after the expiration date due to COVID-19 must be electronically submitted to RMA through the ROE system no later than 15 business days after the producer signed the written agreement offer.

Any written agreement offers with an expiration date after July 30, 2021, must be signed by the expiration date identified in the written agreement offer and follow the procedures provided in the 2021 WAH for submission to RMA.

If a written agreement offer is issued requiring a crop inspection per paragraph 42 of the 2021 WAH, the crop inspection is subject to the same dates required for the written agreement offer, unless RMA specifies otherwise in the written agreement offer.

AIP Submission Deadlines for Category B Determined Yield and Master Yield Requests:

For Reinsurance Year (RY) 2021, AIPs are allowed additional time to accept Regional Office (RO) Determined Yield, Master Yield, and Irrigated Determined Yield requests for Category B (annual) crops with a PRD within RY 2021. The completed requests can be accepted by the AIP by the earlier of the ARD or applicable deadline plus 30 calendar days. Requests required to be submitted to RMA for review must be submitted to the RO no later than the earlier of the ARD or applicable deadline plus 30 calendar days. For example, a RO Determined Yield request must be completed and submitted to the RO no later than 20 calendar days after the PRD; however, with this relief, the request could be accepted by the AIP and submitted to the RO the earlier of the ARD or 50 calendar days after the applicable PRD.

For RO Determined Yield, Master Yield, and Irrigated Determined Yield requests, in which the RY 2021 ARD occurs before the release of this bulletin, the AIP has until the applicable deadline plus 30 calendar days.

AIP Submission Deadlines for Category C Determined Yield and Pre-Acceptance Inspection Reports (PAIRs):

If, due to COVID-19 impacts, additional time is needed for submission of RY 2021 Category C (perennial) crop(s) RO Determined Yield requests, AIPs can request an additional 30-day extension from deadlines specified in the 2021 CIH paragraph 2212, and for PAIRs, CIH paragraph 1840.

The request for extension must be submitted to the applicable RO due to the physical inability to meet the established deadlines due to COVID-19 and include self-certification of COVID-19 related issues. RO Underwriting Guidelines may be issued for subsequent COVID-19 relief, as warranted.

Organic Relief:

Relief under Manager's Bulletin MGR 20-026 for certified organic crops is extended through June 30, 2021, for all applicable crop years. AIPs may allow a policyholder to report acreage as certified organic, or as acreage in transition to organic, when the policyholder certifies that they have requested a written certification or other written documentation from a certifying agent on or before the ARD. Policyholders must continue to use generally recognized organic practices in accordance with their policy. This relief also applies to the Whole-Farm Revenue Protection policy.

Policyholders must notify their agent within 30 calendar days of receiving notification from their certifying agent that their organic plan or certificate was not approved. The policyholder notification may be made by phone, email, text, or other electronic communication method.

If the requested certificate or plan is not approved, the acreage report and premium may be revised appropriately by the AIP when such notice is timely received from the policyholder.

Consistent with existing loss adjustment standards, AIPs must verify an organic plan or certificate is in effect for organic practices during the loss adjustment process.

Replant Self Certification:

Relief under Manager's Bulletin MGR 20-026 is extended through June 30, 2021, for all applicable crop year's replant notifications. 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 Loss Adjustment Manual (LAM) Standards Handbook should 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 (OU) under the BU; or separate OUs or BUs under the EU.

All other replanting requirements remain unchanged. Guidance on self-certification replant inspections can be found in the LAM.

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

Assignment of Indemnity (Assignments):

Relief under Manager's Bulletin MGR 20-026 is extended through June 30, 2021, for all applicable crop years, AIPs are authorized to waive the witness signature requirement for approval of Assignments. The policyholder'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 Supplemental 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.

Dumped Milk on Dairy Revenue Protection and Livestock Gross Margin for Dairy Policies:

Both the Dairy Revenue Production (DRP) and Livestock Gross Margin for Dairy (LGM-Dairy) programs require dairy producers to market an amount of milk that is proportionate to the amount of insurance coverage they have purchased. This milk must be sold to count towards milk being delivered to the market, or 'marketed.' The intent of this requirement is to ensure that dairy producers are not purchasing an amount of insurance in excess of their productive capacity and potentially receive an indemnity payment that is in excess of their actual losses. However, some dairy producers may be required to dump milk that would normally have been marketed. As a result, their insurance indemnities (if eligible) would be reduced even though they had produced a volume of milk that is appropriate for the coverage they purchased. This is not the intent of the policy.

For the 2021 calendar year, AIPs are authorized to count dumped milk towards the milk marketings (for DRP) or actual marketings (for LGM-Dairy) regardless of whether the milk was sold. Producers will still have to provide supporting documentation to the AIP from the cooperative or milk handler verifying the actual pounds dumped and that the milk dumped. This change will provide consistency among all dairy producers on how dumped milk is handled under these policies. The amount of eligible indemnity payment is unaffected by this change. Rather, this avoids imposing a penalty that was not intended to apply in cases where a dairy producer had produced a volume of milk that is consistent with the amount of coverage purchased. In addition, RMA is also removing the testing requirements for dumped milk under the DRP program for producers insuring milk under the component pricing option forced to dump milk. AIPs may use the average butter fat and protein levels for dump milk not tested.

DISPOSAL DATE:

December 31, 2021