



HUDSON CROP

DEFERRAL OF INTEREST CHARGES ON CROP INSURANCE PREMIUMS

USDA BULLETIN ISSUED AUGUST 15, 2019

BULLETIN NO.: MGR-19-023

DATE: August 15, 2019

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: Emergency Flood Relief – Deferral of Interest Charges on Crop Insurance Premiums

BACKGROUND:

Farmers and ranchers are struggling through widespread severe flooding and excess moisture conditions in many parts of the nation, causing catastrophic damage to crops. Concerns have been expressed about the requirement to pay crop insurance premiums timely to avoid accrual of interest because some farmers and ranchers will not yet have received their crop insurance indemnity following this year's widespread, significant crop losses.

Section 24 of the Common Crop Insurance Policy, Basic Provisions (18-BR) states that interest will accrue starting the first day of the month, following issuance of the notice of premium due by the Approved Insurance Provider (AIP), provided that a minimum of 30 days has passed from the premium billing date.

ACTION:

For the 2019 crop year only, accrual of any interest on unpaid crop insurance premium is deferred to the earliest of the applicable termination date or until November 30, for all policies with a premium billing date of August 15, 2019. For any premium that is not paid by the earliest of the applicable termination date or November 30, interest will accrue consistent with the terms of the policy. For example, without this change, policies with an August 15 premium billing date would have interest attach starting October 1 if premium was not paid by September 30. However, under this change, policies that do not have the premium paid by November 30 will have interest attach on December 1, calculated from the date of the premium billing notice. AIPs should promptly notify potentially affected policyholders of said relief.

*The above is an excerpt of Bulletin MGR-19-023. To read in full, visit:
<https://www.rma.usda.gov/Policy-and-Procedure/Bulletins-and-Memos/2019/MGR-19-023>*

TO OUR VALUED POLICYHOLDERS:

MPCI POLICIES

Interest on spring crops with a billing date of 8/15/2019 will be deferred until 11/30/2019. In order to avoid interest charges, payment must be postmarked by 11/30/2019. If the MPCI policy balance is not paid by 11/30/2019, the deferred interest will be calculated back to the billing date and three months of accrued interest will be applied.

NOTE: Crop coverage(s) with a termination date before 11/30/2019, such as Margin Protection, that has a termination date of 11/15/2019, must be paid in full by 11/15/2019 to avoid placement on the Ineligible Tracking System (ITS) list. The termination date for each crop coverage is shown on page two of your billing statement.

PRIVATE PRODUCT POLICIES

Interest on spring crops with a billing date of 10/1/2019 will be deferred until 11/30/2019. In order to avoid interest charges, payment must be postmarked by 11/30/2019. If the private product policy balance is not paid by 11/30/2019, the deferred interest will be calculated back to the billing date and two months of accrued interest will be applied.