



Notice #08-110

Source: RCIS

Affects: All Agents in IL, KS, MO, ND, NE, OK, SD

Date: May 27, 2008

Subject: Keystone Pipeline Project

Action: F.Y.I.

Effective: Effective

RCIS has received several questions regarding the construction of the Keystone pipeline. Currently, RMA has no provision or regulation that allows uninsurable losses due to third party activity to be treated differently from other uninsured causes of loss.

If insured acreage will be destroyed by construction of this pipeline, the insured must notify their agent or Authorized Insurance Provider (AIP) to request that an appraisal be completed prior to the acreage being destroyed. This appraisal, if conducted prior to the acreage being destroyed, will be included in the production to count for APH purposes and for loss claims.

If neither the agent nor the AIP are notified and an appraisal is not conducted prior to the acreage being destroyed, the insured acreage will be considered destroyed without consent. The total planted acres and harvested production (if any) will be used to calculate the approved APH yield. Appraisals completed at loss time that account for production lost due to uninsured causes of loss cannot be used for APH purposes. If there is a loss on that unit, we must assess an uninsured appraisal of at least the production guarantee for the acreage that was destroyed.

Visit the TransCanada website page at <http://www.transcanada.com/keystone/> for a pipeline project plan overview.

If you have any questions, please contact your Sales and Service Office.

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