



United States
Department of
Agriculture

INFORMATIONAL MEMORANDUM: IS-13-001

Farm and Foreign
Agricultural
Services

TO: All Approved Insurance Providers
All Risk Management Agency Field Offices
All Other Interested Parties

Risk
Management
Agency

FROM: Michael A. Alston /s/ Heather Manzano, for *1-16-2013*
Deputy Administrator for Insurance Services

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Independence
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Stop 0805
Washington, DC
20250-0805

SUBJECT: Apiculture Plan of Insurance - User Fee Notification

On August 9, 2012, AgForce, Inc. (AgForce), the developers of the Apiculture plan of insurance, advised the Federal Crop Insurance Corporation (FCIC) Board of Directors (Board) of their intent to maintain the Apiculture plan of insurance and charge a user fee to Approved Insurance Providers (AIP) selling the plan. Section 522(b)(4)(C) of the Federal Crop Insurance Act (Act) allows submitters to transfer approved 508(h) products to FCIC for maintenance or maintain the policy and charge a user fee to AIP's that elect to sell the policy.

Section 522(b)(4)(D)(ii) of the Act and 7 C.F.R. 400.712(j)(4) provides that the Board will determine the reasonableness and approve the amount of user fee that is payable to the applicant by the AIP.

AgForce requested approval for a user fee in the amount of 3.5 percent of total premium beginning with the 2013 reinsurance year. The Board has determined this amount is reasonable and approved the maintenance fee. The Board reserves the right to revisit the user fee in future years to ensure that the standards for such continue to be met. The user fee is owed by the AIP and cannot be passed on to producers as an increase in premium or an administrative charge.

The regulation provides that it is Agforce's responsibility to collect the fees from AIP's, and any indebtedness for such fees must be resolved by AgForce and the AIP. Upon request, FCIC may provide the number of policies sold by each AIP. AgForce is responsible for contacting those AIP's who sold the Apiculture plan of insurance, as applicable, to arrange for payment of the user fee.

If you have any questions regarding the user fees, please contact Dave Miller, Director, Reinsurance Services Division, at (202) 720-9830 or dave.miller@rma.usda.gov.



The Risk Management Agency Administers
And Oversees All Programs Authorized Under
The Federal Crop Insurance Corporation

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DISPOSAL DATE:

December 31, 2013