



**BULLETIN NO.: MGR-10-005**

**United States  
Department of  
Agriculture**

Farm and Foreign  
Agricultural  
Services

Risk  
Management  
Agency

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

**FROM:** William J. Murphy /s/ *William J. Murphy* 6/10/2010  
Administrator

**SUBJECT:** Final Draft of the 2011 Standard Reinsurance Agreement

**BACKGROUND:**

On February 23, 2009, the Risk Management Agency (RMA) issued a second draft of the 2011 Standard Reinsurance Agreement (SRA). RMA received written comments and met with approved insurance providers (AIP) and other interested parties. RMA evaluated comments and recommendations and is now issuing the final draft, including Appendices I, II, III, and IV. These final drafts are in two formats: (1) a “clean” version that incorporates all changes from the second draft; and (2) a “markup” version that displays all changes from the second draft. RMA is also releasing a side-by-side comparison of the major financial terms of the various drafts of the 2011 SRA. The “clean” and “markup” versions of the SRA final draft, along with the side-by-side comparison of major financial terms and other information related to the SRA negotiations are available on RMA’s website:

[www.rma.usda.gov/news/2009/12/sra.html](http://www.rma.usda.gov/news/2009/12/sra.html). RMA is also releasing the 2011 Livestock Price Reinsurance Agreement (LPRA), which will be available on the RMA website: [www.rma.usda.gov/pubs/ra/](http://www.rma.usda.gov/pubs/ra/).

**ACTION:**

1. With the release of the final draft SRA and LPRA for 2011, no further substantive changes to terms and conditions are envisioned. All AIPs have until June 24, 2010 to review the final draft of the 2011 SRA and LPRA and submit to RMA any recommended technical edits that may clarify SRA and LPRA terms and provisions. We also invite the legal representatives of the AIPs to meet with the RMA legal team to discuss any technical edits they may have. Legal representatives should contact Kim Arrigo at 202-690-2391 to set up a meeting. RMA is attaching to this bulletin the SRA and all appendices in WORD™ format to facilitate technical review.



The Risk Management Agency Administers  
And Oversees All Programs Authorized Under  
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2. Although the 2011 SRA is effective for only the 2011 reinsurance year, the SRA includes financial and other terms that will become operative in subsequent reinsurance years. For purposes of the technical review and finalized negotiations, terms that will become operative in subsequent reinsurance years are shown in the SRA and appendices as bracketed, highlighted text.
3. After the deadline established in item 1 above, RMA will release to all AIPs for signature a final SRA and LPRA that incorporates any technical revisions. RMA will also remove those provisions that will not apply for the 2011 SRA, but which will be subsequently incorporated into the SRA released in the applicable reinsurance years.
4. AIPs preparing Plan of Operations for 2011 for the SRA or LPRA are directed to the RMA website: [www.rma.usda.gov/pubs/ra/](http://www.rma.usda.gov/pubs/ra/) for Appendix II guidance and templates for Plan of Operation exhibits for the 2011 reinsurance year.
5. AIPs who intend to participate in the Federal crop insurance program under the SRA or LPRA for the 2011 reinsurance year must sign and submit the final SRA or LPRA, as referenced in item 3 above, and submit a complete Plan of Operations, in accordance with Appendix II and guidance issued by RMA regarding the SRA or LPRA, respectively, by July 9, 2010.
6. It is likely that RMA will not have received and completed its review of the 2011 SRA and LPRA Plans of Operation for AIPs prior to the July 1, 2010 start of the 2011 reinsurance year. RMA agrees that it will reinsure, under the terms and conditions of the 2011 SRA and 2011 LPRA, all eligible crop insurance contracts and eligible livestock price insurance contracts written and renewed after July 1, 2010 unless an AIP is otherwise notified by RMA in writing. Therefore, there should be no disruption in coverage or service to producers.

Any recommended technical edits to the SRA or appendices may be submitted by mail, email, or fax (to be received by RMA by the deadline indicated in item 1 above) to:

Craig Witt  
Risk Management Agency  
1400 Independence Ave. SW  
Room 6741-S, Stop 0804  
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**BULLETIN NO.: MGR-10-005**

**Page 3**

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**DISPOSAL:**

December 31, 2010

Enclosures (5)