



United States
Department of
Agriculture

Farm and Foreign
Agricultural
Services

Risk
Management
Agency

1400
Independence
Avenue, SW
Stop 0801
Washington, DC
20250-0801

BULLETIN NO.: MGR-10-007

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

FROM: William J. Murphy /s/ *William J. Murphy* 6/30/2010
Administrator

SUBJECT: 2011 Standard Reinsurance Agreement

BACKGROUND:

On June 10, 2010, the Risk Management Agency (RMA) issued the final draft of the 2011 Standard Reinsurance Agreement (SRA) and 2011 Livestock Price Reinsurance Agreement (LPRA), subject to technical review. RMA has received technical changes proposed by approved insurance providers (AIPs) and met with AIP legal representatives.

After evaluating these recommendations, RMA is now issuing for signature the final SRA, including Appendices I, II, III, and IV. The final LPRA and appendices will be available within the next week.

The final SRA and appendices are in two formats: (1) a “clean” version that incorporates all technical changes from the June 10, 2010 third draft; and (2) a “markup” version that displays all such technical changes relative to the June 10, 2010 third draft. The “clean” and “markup” versions of the final SRA along with other information related to the SRA negotiations are available on RMA’s website:

www.rma.usda.gov/news/2009/12/sra.html.

ACTION:

1. AIPs who intend to participate in the Federal crop insurance program under the terms and conditions of the SRA or LPRA for the 2011 reinsurance year must sign, execute and submit to RMA two copies of the “clean version” of the 2011 SRA or 2011 LPRA, as applicable, by July 12, 2010. Upon RMA acceptance of the AIP signed SRA or LPRA, which is evidenced by RMA’s signature on the document, one of the RMA-signed copies will be returned to the AIP. RMA will not accept a 2011 SRA or LPRA that is accompanied by a reservation of rights or contains any revisions to the provisions of the 2011 SRA or 2011 LPRA. Inclusion of a reservation of rights or any modification of the terms in the final 2011 SRA or LPRA will be considered a rejection of the 2011 SRA or LPRA by the AIP, even if it has been signed by the AIP, and no SRA or LPRA will be effective for the 2011 reinsurance year.



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And Oversees All Programs Authorized Under
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2. AIPs who sign and submit the 2011 SRA or LPRA to RMA will have until July 19, 2010 to submit the applicable Plan of Operations for RMA approval. (This deadline has been extended from the deadline established in bulletin MGR 10-005.) AIPs preparing Plan of Operations are directed to the RMA website www.rma.usda.gov/pubs/ra/ for Appendix II guidance and templates for Plan of Operation exhibits for the 2011 reinsurance year. Once RMA has approved the Plan of Operations, the SRA is complete and becomes effective and the Company is approved to conduct business for the 2011 reinsurance year.
3. Although the 2011 SRA and 2011 LPRA are effective for only the 2011 reinsurance year, the SRA includes financial and other terms that will become operative in subsequent reinsurance years. The attachment to this bulletin identifies those provisions that will be modified in subsequent reinsurance years and specifies the language that will replace such terms.
4. As indicated in bulletin MGR-10-005, RMA agrees that it will reinsure, under the terms and conditions of the 2011 SRA and 2011 LPRA, respectively, 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.
5. Executed copies of the 2011 SRA and LPRA may be submitted by overnight mail to be received by RMA by July 12, 2010 to:

Dave Miller, Director
RMA Reinsurance Services Division
1400 Independence Ave. SW
Room 6741-S, Stop 0804
Washington, DC 20250-0804
6. Plans of Operation should be submitted to RMA in accordance with guidance for Appendix II, as provided on RMA's website.

DISPOSAL:

December 31, 2010

Enclosures (1)

RMA/DAIS: C. Witt (202)690-2957: Bulletin No. MGR-10-006:2011 Standard Reinsurance Agreement: FINAL 6/30/2010

IS Cron File

Author

Date

Deputy Administrator

Date