



United States
Department of
Agriculture

Farm and Foreign
Agricultural
Services

Risk
Management
Agency

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BULLETIN NO.: MGR-12-001

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

FROM: William J. Murphy /s/ *William J. Murphy* 2-7-2012
Administrator

SUBJECT: 2012 Standard Reinsurance Agreement (SRA) and Livestock Price
Reinsurance Agreement (LPRA) Optional Amendment Number 1

BACKGROUND:

The Risk Management Agency (RMA) is proposing to modify the Quality Control Guidelines in section III of Appendix IV of the 2012 SRA and LPRA. Changes to Appendix IV must be unanimously approved by RMA and all approved insurance providers (AIPs) before it is effective. If approved by all, the changes in the attached Amendment would be effective for the remainder of the 2012 and subsequent reinsurance years. To approve this Amendment to the SRA and LPRA, as applicable, each participating AIP must sign and return the SRA or LPRA Amendment to RMA indicating concurrence with the revisions.

ACTION:

The Appendix IV modifications to the SRA and LPRA being proposed include:

- Clarification to Data Mining Reviews in section III (b)(1);
- Clarification to Consecutive Loss Adjuster Reviews in section III (b)(3)(B)(i) and (ii);
- Changing the threshold for high dollar indemnity reviews from \$100,000 to \$200,000 in section III (b)(3)(C).

The Appendix IV modifications to the SRA only being proposed include:

- Deleting the Biotechnology Endorsement (BE) review requirement in section III (b)(3)(E),



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- Re-designating the Rainfall and Vegetation Index Reviews from section III (b)(3)(F) to section III (b)(3)(D),
- Clarification to Actual Production History Verification in section III (c)(2)(ii) and (iii).

AIPs must sign and return the attached Amendment by close of business February 15, 2012. If all AIPs sign and return the attached Amendment, RMA will approve the Amendment and notify each AIP.

Attachments

DISPOSAL DATE:

December 31, 2012