



United States
Department of
Agriculture

Farm and Foreign
Agricultural
Services

Risk
Management
Agency

Beacon Facility
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July 11, 2011

INFORMATIONAL MEMORANDUM: PM-11-033

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

FROM: Tim B. Witt /s/ *Tim B. Witt*
Deputy Administrator

SUBJECT: 2012 Reinsurance Year Livestock Gross Margin for Swine Revisions

BACKGROUND:

The Federal Crop Insurance Corporation's (FCIC) Board of Directors (Board) approved revisions of the Livestock Gross Margin for Swine (LGM-Swine) plan of insurance on May 19, 2011. The revisions were requested by Iowa Agricultural Insurance Innovations, Inc. the owners of the LGM plans of insurance. The Board approved the following revisions of LGM-Swine to be effective beginning the 2012 fiscal year:

- **Revised timing of premium payment** - Premium for LGM-Swine will now be due at the end of the coverage period rather than at the time of purchase.
- **Expanded coverage** – Swine producers in the 48 contiguous states are now eligible to purchase the LGM-Swine plan of insurance.

ACTION:

The following 2012 reinsurance year LGM-Swine materials will be available by close of business Monday, July 11, 2011, and may be accessed on the RMA website from the Livestock page at: <http://www.rma.usda.gov/livestock/>

Material

- LGM-Swine Basic Provisions
- LGM-Swine Commodity Exchange Endorsement (CEE)
- LGM-Swine FAQ
- LGM-Swine Underwriting Rules

The revised 2012 reinsurance year LGM-Swine plan of insurance will be available for sale on or after October 28, 2011.

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

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Interested producers will need to contact a crop insurance agent and complete an application, which will be submitted through an approved insurance provider. The Risk Management Agency (RMA) has published on its website a list of agents authorized by their insurance providers to write livestock insurance. The address of the website is: www.rma.usda.gov/.

To find the LGM premium calculator on the RMA web-site (revisions are only applicable to LGM-Swine insurance contracts purchased on or after October 28, 2011):

Go to:	Tools and Calculators
Click on	Cost Estimator, 2011 and beyond

DISPOSAL DATE:

December 31, 2011.