



United States
Department of
Agriculture

Risk
Management
Agency

Beacon Facility
P.O. Box 419205
Kansas City,
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July 18, 2007

INFORMATIONAL MEMORANDUM: PM-07-035

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: Livestock Risk Protection-Lamb (LRP-Lamb) for 2008 Crop Year

BACKGROUND:

The Federal Crop Insurance Corporation Board of Director's (Board) approved the LRP-Lamb plan of insurance under Section 508(h) of the Federal Crop Insurance Act (Act) on September 28, 2006, in the following states: Arizona, California, Colorado, Idaho, Indiana, Illinois, Iowa, Kansas, Michigan, Minnesota, Missouri, Montana, Nebraska, New Mexico, Nevada, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Dakota, Texas, Utah, Virginia, West Virginia, Wisconsin, and Wyoming.

LRP Lamb insurance offers lamb producers protection against declines in price. Insurance periods are 13, 26 and 39 weeks, and coverage levels from 80-95 percent in 5 percent increments are offered. The endorsement contains annual policy limits of 28,000 head, and an endorsement limit of 7,000 head.

LRP Lamb may be purchased on Monday each week (as long as rates and coverage prices are available) with sales beginning on Monday morning when rates and coverage prices are released at approximately 10 a.m. and ending on that same day at 7 p.m. Central Time. Preliminary rates and coverage prices may be released the Friday evening prior to the day of sales for viewing over the weekend. Note that final rates and coverage prices available for sale on Monday may be different than the preliminary estimates. Sales will begin September 17, 2007.

Producers interested in LRP should contact an insurance agent who sells livestock insurance and complete an application. The Risk Management Agency publishes a list of agents on its web site. The address of the website is: <http://www.rma.usda.gov/>.



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

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Although insurance purchases must be executed through insurance agents, producers may access the current day's rates and coverage prices and all policy materials, including Premium Calculation Instructions, on the RMA website cited below under 'Action'. Because the Federal Crop Insurance Act limits the amount of livestock insurance that may be reinsured each year, RMA must review all LRP applications and provide an approval number to the company before coverage can be bound. Companies and agents are reminded that they do not have authority to bind coverage without first obtaining an approval number from RMA's e-DAS system. E-DAS operates on a "real-time" basis and will track total sales, discontinuing sales of both new and renewed when the annual underwriting capacity for livestock insurance has been obligated. All sales are final at the time of purchase and premium is owed at the time of purchase.

Following RMA's confirmation of acceptance of the application, Approved Insurance Provider's (AIP's) may notify their applicants that insurance attached.

AIP's intending to sell LRP must first be approved for a 2008 Livestock Price Reinsurance Agreement (LPRA). The revised Plan of Operation Exhibits 12 and 13 to add LRP-Lamb are available on the RMA website at <http://www.rma.usda.gov/pubs/ra/#lpra>.

ACTION:

The following updated LRP materials may be accessed on the RMA website from the Livestock page at: <http://www.rma.usda.gov/livestock/>

- Basic Policy
- Lamb Specific Coverage Endorsement (SCE)
- Lamb Premium Calculation Instructions
- Lamb Underwriting Rules
- Lamb Questions and Answers
- LRP Handbook (Slipsheeted)

Additional materials may be found at:

Draft Manual 13 Requirements
Special Provisions

<http://www.rma.usda.gov/data/m13/>

<http://www3.rma.usda.gov/apps/docbrowser/>

DISPOSAL DATE:

This Informational Memorandum is for the purpose of transmitting information and its disposal date is December 31, 2007.