



United States Department of Agriculture

Farm and Foreign Agricultural Services
Risk Management Agency

INFORMATIONAL MEMORANDUM

TO: All Reinsured Companies
All Risk Management Agency Field Offices
All Other Interested Parties

FROM: Kenneth D. Ackerman /s/ Ken Ackerman 11-24-99
Administrator

SUBJECT: E-Commerce

ISSUE:

The Risk Management Agency (RMA) has recently received several inquiries as to the status of legislation directing the U.S. Department of Agriculture (USDA) to establish electronic filing and retrieval systems to enable the public to file and retrieve all required paperwork for USDA programs electronically through an Internet-based system. The two legislative bills at issue are H.R. 852 introduced by Congressman Ray LaHood, and S.777 introduced by Senator Peter Fitzgerald. Both bills are referred to as the "Freedom to E-File Act." According to each of these bills, USDA would be required to establish such Internet-based systems no later than 180-days after enactment. Neither bill has been reconciled in Conference committee.

DISCUSSION:

RMA was asked to comment on S.777. RMA's view was that E-commerce is worth pursuing, but due to our method of program delivery, we could not implement such a system within the time frames allotted. Thus, S.777 was revised to grant RMA one year to develop a plan to implement E-commerce. RMA is seeking this change also in H.R.852. RMA currently envisions that it would use this time period to work with our industry partners and their agents to design an effective system.



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

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We understand that the National Association of Insurance Commissioners (NAIC) has formed the Electronic Commerce and Regulation Working Group to recommend changes in state laws and regulations to facilitate E-commerce in the sales and service of insurance. RMA will follow the progress of the NAIC working-group as well as any pending legislation to ascertain potential implications for the crop insurance program. RMA believes there are many questions which should be addressed including, but not limited to, the impacts on our delivery system.