



United States Department of Agriculture

Farm and Foreign Agricultural Services
Risk Management Agency

BULLETIN NO: MGR-00-034

TO: All Reinsured Companies
All Risk Management Agency Field Offices

FROM: Kenneth D. Ackerman /s/ Ken Ackerman 11-22-00
Administrator

SUBJECT: Actuarial Addendum - Revenue Assurance (RA) - 5 Percent Incremental
Coverage Levels

BACKGROUND:

The 2001 crop year Revenue Assurance (RA) was approved prior to the signing of the Agricultural Risk Protection Act of 2000 (ARPA). Revenue Assurance was designed to allow additional coverage in less than 5 percent increments to accommodate coverage quoted in dollars.

ARPA states: Section 101. (d) Temporary Prohibition of Continuous Coverage - Section 508 (e) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)) is amended by striking paragraph (4) and inserting the following: "(4) TEMPORARY PROHIBITION ON CONTINUOUS COVERAGE - Notwithstanding paragraph (2), during each of the 2001 through 2005 reinsurance years, additional coverage under subsection (c) shall be available only in 5 percent increments beginning at 50 percent of the recorded or appraised average yield."

ACTION:

Insurance providers must inform all agents approved to sell RA coverage of the following:

All crops with Sales Closing Dates after September 30, 2000, will be limited only to 65, 70, 75, 80, and 85 percent coverage levels. For the 2002 through 2005 crop year, coverage will be limited to 65, 70, 75, 80, and 85 percent coverage levels for all crops insured or reinsured under the Act.

DISPOSAL:

This bulletin is effective until the disposal date, December 31, 2001.



Risk Management Agency

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

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