



United States  
Department of  
Agriculture

Risk  
Management  
Agency

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**BULLETIN NO: MGR-03-008.1**

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

FROM: Ross J. Davidson, Jr. /s/ *Ross J. Davidson* 10/4/04  
Administrator

SUBJECT: Procedures for Submitting Premium Reduction Plans

**BACKGROUND:**

Section 508(e)(3) of the Federal Crop Insurance Act (Act) authorized the Risk Management Agency (RMA), on behalf of the Federal Crop Insurance Corporation (FCIC), to approve applications by approved insurance providers to reduce the premium charged to producers if the approved insurance provider can demonstrate that it can provide insurance more efficiently than the expense reimbursement amount established by RMA. The authority to approve such applications was delegated to RMA by the FCIC Board of Directors. While section 508(e)(3) of the Act is self-executing, it authorized RMA to issue procedures. On May 1, 2003, RMA issued procedures to assist RMA and applicants in the application process and determining what constitutes efficiency.

Bulletin No.: MGR-03-008 notified the approved insurance providers of the procedures and provided the Internet link to the location of the procedures. Since the bulletin had an expiration date of December 31, 2003, questions have been raised regarding whether the expiration date applied to the bulletin or to the separate procedures. The procedures themselves do not contain an expiration or disposal date.

The expiration date in the bulletin was never intended to apply to the referenced procedures. Those procedures remain in effect and have been used by RMA to review applications subsequent to the disposal date. Such procedures will remain in effect until rescinded by RMA.



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

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**ACTION:**

To avoid confusion, the disposal date section in Bulletin No.: MGR-03-008 is revised to read as follows:

“This bulletin and the referenced procedures remain in effect until they are rescinded by RMA.”

**DISPOSAL DATE:**

This bulletin will remain in effect until MGR-03-008 and the referenced procedures are rescinded.