



United States Department of Agriculture
Farm and Foreign Agricultural Services
Risk Management Agency

June 26, 2002

INFORMATIONAL MEMORANDUM: R&D-02-022.1

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

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

SUBJECT: Livestock Risk Protection (LRP) Insurance Policy Updates

BACKGROUND:

Since initial release of the LRP Basic Policy on May 9, 2002, several minor changes or revisions have been identified. Also, the LRP Handbook has been updated to reflect minor edits and to make one correction. Additionally, the Chicago Mercantile Exchange changed the report used to settle the lean hog futures contract. Because this report is used to calculate the actual ending price for LRP, updates reflecting this change have been made to the Specific Coverage Endorsement and the Special Provisions.

ACTION:

A. The LRP Basic Policy has been updated as shown below:

1. Section 7- Page (5 of 8) changed the header Shared Insured to Share Insured
2. Section 7-Page (5 of 8) added "not" in the second sentence of 7(a).
3. Section 14(b)-Changed (3) to (2).
4. Section 11(b)-A period was added at the end of the sentence.



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B. The LRP Handbook has been updated as shown below:

1. Glossary of Statements-Section A(2) Certification Statement-Changed "a through e" to "1 through 4."
2. Glossary of Statements-Section B-Added Application for Insurance Statement, Reinsurance Statement, Conditions of Acceptance Continued Statement.

C. The LRP Specific Coverage Endorsement (SCE) and Special Provisions were revised to reflect changes made by the Chicago Mercantile Exchange that effected the actual ending value definition in the SCE and the report citation in the Special Provisions.

The revised LRP Basic Policy, Specific Coverage Endorsement, Handbook, and Special Provisions have been placed on RMA's website at www.rma.usda.gov.

DISPOSAL DATE:

This Informational Memorandum is for the purpose of transmitting information and its disposal date is December 31, 2002.