

Contents of Complete Concept Proposal

7 C.F.R.

Part 400

Paragraph

Reference Each Concept Proposal must be:

- 703(b) In Microsoft Office compatible format, unless otherwise approved by RMA.
- 703(b) Sent by email or by mail on removable storage device to DAPM.

Each Concept Proposal must include:

- 703(b) A detailed index that, in sequential order, references the location of the required information.
- 705(l) Applicant's name, TIN, D-U-N-S number, address or primary business location, phone number, and e-mail address.
- 705(l) A notation that it is a concept proposal submitted in accordance with FCIC procedures handbook 17030, Approved Procedures for Submission of Concept Proposals Seeking Advance Payment of Research and Development Costs.
- 705(l) A summary of the qualifications of the applicant, including:
 - (1) Any prior concept proposals or submissions made under section 508(h) of the Act;
 - (2) The outcome of those concept proposals or submissions including whether approved, the submitter received a notice of intent to disapprove, or if disapproved and the general reasons for the latter two actions; and
 - (3) If the concept proposal or submission was approved and implemented, a summary of the volume of sales, risks protected, states authorized, etc., and a copy of any review or evaluation that may be publicly available to the submitter.
- 705(l) A detailed description of the concept (policy or plan of insurance) being proposed.
- 705(l) The amount and value of the commodity on a national basis (if available) and expected liability in the proposed insured area.
- 705(l) The need for the policy or plan of insurance that includes:
 - (1) A description or complete explanation of what the issue is that the concept proposal is to specifically address;
 - (2) A discussion of how it has conclusively been determined to be a legitimate issue citing pros and cons of the issue, benefits, and anticipated impacts to all parties;
 - (3) Proposed steps that will be employed to resolve the issue.
- 705(l) Availability of any insurance product, program, or compensation scheme in either the private or public sector covering the same risks for the commodity.

- 705(l) Expected demand for the policy or plan of insurance among affected producers, including:
- (1) Information about the risk exposure and what producers are currently doing to manage their risk; and
- (2) What producer needs would be fulfilled by the proposed policy or plan of insurance (only original, not form or substantially copied, letters of support from interested parties may be submitted)
- 705(l) A marketability assessment from the applicant AIP, and from at least one other AIP. If a marketability assessment is not provided by an AIP who is not part of the applicant, the applicant must provide information regarding the names of the persons and AIPs contacted and the basis for their refusal to provide the marketability assessment.
- The marketability assessment will include the following:
- (i) An assessment of whether producers will buy the product;
- (ii) An assessment of whether AIPs and agents will want to sell and service the product;
- (iii) An assessment of risks associated with the submission and likely effect under the SRA;
- (iv) Estimated computer system impacts and costs;
- (v) Estimated administrative and training requirement and costs;
- (vi) An analysis of the complexity of the product; and
- (vii) What, if any, efficiency will be gained or potential effects on the workload of AIPs or others participating in the program.
- 705(l) Identification of the risks the proposed policy will cover, an explanation of how identified risks are insurable under the Act, and an explanation of how a loss will be triggered.
- 705(l) A summary of the data sources available and examples of the available data, that demonstrate a submission, based on the concept proposal, can reasonably be developed. Must include an explanation of the strengths and limitations of the proposed data including the expected long term availability of the data and potential issues that may limit the availability of the data.
- 705(l) A description of the long-term sustainability of the proposed policy or plan of insurance.
- 705(l) The type of rating and pricing methodologies under consideration and a preliminary assessment that actuarially appropriate premium rates and prices can be established for the risks to be covered using these methods and the data available to support such methods. Must indicate the rating and pricing methodology that appears to be the most appropriate given the available data.
- 705(l) The anticipated or most likely formulas for liability, premium, and indemnity and an explanation of how these formulas will work given the risks to be covered and the available data.
- 705(l) A statement and supporting explanation of whether one of the current reinsurance agreements will likely be appropriate to the policy or plan of insurance to be developed, or if a new reinsurance agreement will be required.

705(l) The amount of time the applicant has expended to date and total R & D costs the applicant expects to incur to develop a complete 508(h) submission.

General estimates of expenses for the following categories are required:

(1) The number of hours expected to complete a submission as required by 7 C.F.R. § 400.705 by type of work and the hourly rate of each occupation.

(2) An estimate of wage and benefit costs per hour (by employee) applicable to the occupations

(3) An estimate of expected contracted expenses.

(4) An estimate of computer system expenses.

(5) An estimate of travel expenses that will be incurred.

705(l) A statement that "(applicant name) will provide progress reports as required by the Board."

705(l) A statement of whether the applicant intends to request reinsurance, risk subsidy, or A&O subsidy.

705(l) A statement of whether the submitter wants the concept proposal to remain confidential.

RMA may reject if the following conditions are NOT met:

706(a)(4)(i) The concept proposal is complete.

706(a)(4)(ii) The product is likely to be Viable and Marketable as defined in 7 C.F.R. § 400.701.

706(a)(4)(iii) The product will provide crop insurance coverage in a significantly improved form.

706(a)(4)(iv) The product will adequately protect the interests of producers.