

# INFORMATIONAL MEMORANDUM: IS-17-006

DATE March 16, 2017

TO: All Approved Insurance Providers  
All Risk Management Agency Field Offices  
All Other Interested Parties

FROM: Robert Ibarra Deputy Administrator for Insurance Services /s/ Delores Dean,  
for 3/16/2017

SUBJECT: Deputy Administrator for Insurance Services

## Background

The Risk Management Agency (RMA) has released the 2018 Standard Reinsurance Agreement (SRA) and Appendices I, II, and IV, and the 2018 Livestock Price Reinsurance Agreement (LPRA) and Appendices I, II, and IV, which become effective July 1, 2017. The documents are located on the RMA website at: [Reinsurance Agreements](#). The draft Appendix III that provides standards, procedure and instructions for reporting data to RMA will be issued by May 2017.

The SRA Appendix IV Section III (b)(3), Operational Reviews, was revised to read:

"These reviews are intended to ensure that the Company's internal controls are in place, operational, and provide reasonable assurance that the liability and indemnities are properly established in accordance with FCIC procedures. At its sole discretion, FCIC may elect to require the Company to perform a Data Mining Review in lieu of any Operational Review if FCIC determines the intent of the Operational Review may be more efficiently achieved through data mining. FCIC will consult with AIPs on any Data Mining criteria/results that may be used in lieu of existing Operational Review criteria in accordance with the consultative framework established in subsection (b)(1) above. If FCIC elects to require AIPS to perform a Data Mining Review in lieu of an Operational Review. FCIC will issue a Manager's Bulletin or other memorandum specifying the new criteria and procedures".

Otherwise, the SRA, LPRA, and Appendices I, II, and IV for the 2018 reinsurance year have not changed from the prior year. Companies wishing to participate during the 2018 reinsurance year must submit a signed copy of the applicable agreement and the Plan of Operation exhibits, to RMA by April 3, 2017. Send all 2018 SRA and 2018 LPRA documentation to your assigned account executive or:

VIA email to: [Dave.Miller@rma.usda.gov](mailto:Dave.Miller@rma.usda.gov)

VIA overnight mail to: David Miller, Director

Reinsurance Services Division, RMA

1400 Independence Avenue, SW, Room 6741

Washington, DC 20250-0801

Please direct any questions to David Miller at 202-720-9830.