

MGR-24-003.1

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Date

June 3, 2024

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Marcia Bunge, Administrator /s/ Marcia Bunger 6/3/2024

Subject

Amended: Notice to Cease and Desist Agent/Agency Contract Terminations

Background

On March 15, 2024, the Risk Management Agency (RMA) issued MGR-24-003, Notice to Cease and Desist Agent/Agency Contract Terminations, requiring that Approved Insurance Providers (AIPs) cease and desist any cancellation of agent contracts until RMA completed its review of the information requested in the bulletin. RMA became aware that some AIPs were decreasing their federal crop insurance business in specific crops, plans of insurance, and geographic areas by terminating agent/agency contracts and decreasing their compensation to transfer the business to another AIP. Some termination notifications included language that no new business would be accepted for the current reinsurance year, policies would be cancelled if not transferred, and have been sent with insufficient time for the agent/agency to act before the policy sales closing date. This has led to marketplace confusion, disruption, and miscommunication, requiring RMA to issue MGR-24-003 to ensure farmers and ranchers were not deprived of coverage, have their policies properly administered, and continue to have confidence in and access to this vital program.

RMA has reviewed the additional documentation submitted by the AIPs. In addition, RMA has received assurances from the AIPs that they will continue to accept new, transferred, and existing business so that no eligible producer will lose or be denied coverage. RMA will continue to monitor the situation and evaluate the information provided by the AIPs in Appendix II, Section IV(p) of the Standard Reinsurance Agreement and Livestock Price Reinsurance Agreement.

Action

RMA is lifting the cease-and-desist action required in MGR-24-003.

DISPOSAL DATE:

December 31, 2024