

IS-23-002

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Date

September 29, 2023

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Melissa Janssen for Deputy Administrator for Insurance Services /s/ Melissa Janssen

Subject

2024 Livestock Price Reinsurance Agreement (LPRA) – Revised Appendix II Exhibits V(b) and (c), Appendix IV, and Matrix

The Risk Management Agency (RMA) has released a revised 2024 Livestock Price Reinsurance Agreement (LPRA) Appendix II, with changes to Exhibits V(b) and (c) in the 2024 LPRA Plan of Operation Template at www.rma.usda.gov/policy-procedure/reinsurance-agreements/livestock-price-reinsurance-agreement-archive.

These exhibits were revised to include the new Wean Calf Revenue Protection (WCRP) program implemented this year. WCRP will be available in Colorado, Nebraska, South Dakota, and Texas.

Approved Insurance Providers (AIPs) with an approved 2024 LPRA who plan to participate in the sale of WCRP during the 2024 reinsurance year must submit a revised 2024 LPRA Plan of Operation Template, which now includes the WCRP plans of insurance in Exhibits V(b) and (c). An AIP that does not have an approved 2024 LPRA must submit a signed copy of the 2024 LPRA and all required Plan of Operation exhibits for review and approval. The 2024 LPRA Plan of Operation documentation required to participate in the sales of WCRP must be submitted to RMA within 14 calendar days of RMA's publication of this Informational Memorandum. Send all 2024 LPRA documentation to the attention of your Account Executive.

Appendix IV has been revised by adding section III(c) which is the Standard Reinsurance Agreement “Actual Production History (APH) Verification” language. In addition, the LPRA Appendix IV Matrix has been revised to include WCRP.

Per Appendix IV, Section II(d) of the LPRA, a new agent or loss adjuster must participate in structured training of at least 3 hours for each livestock plan of insurance. WCRP is a new program, no agent has experience selling WCRP and no loss adjuster has experience adjusting a WCRP claim, thus it would be reasonable and appropriate for all agents and loss adjusters to participate in at least 3 hours of training on the WCRP program. Consistent with testing requirements in relation to sales of the other livestock plans of insurance, initial agent and loss adjuster competency testing and periodic retesting will be required in relation to sales and loss adjustment of WCRP.

Please direct any questions to David Miller at dave.miller@usda.gov.