

IS-18-007

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Date

August 13, 2018

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Robert Ibarra, Deputy Administrator for Insurance Services /s/ Robert Ibarra

8/13/2018

Subject

2019 Livestock Price Reinsurance Agreement (LPRA) – Revised Appendix II, Exhibit V(b) and (c)

The Risk Management Agency (RMA) has released a revised 2019 Livestock Price Reinsurance Agreement (LPRA) Appendix II, with changes to Exhibits V(b) and (c) in the 2019 LPRA Plan of Operation Template at <https://www.rma.usda.gov/policy-procedure/reinsurance-agreements>. These exhibits were revised to include the new Dairy Revenue Protection (DRP) plan of insurance, to be implemented later this year. DRP will be available in all states.

Approved Insurance Providers (AIPs) with an approved 2019 LPRA who plan to participate in the sale of DRP during the 2019 reinsurance year must submit a revised 2019 LPRA Plan of Operation Template, which now includes DRP in Exhibits V(b) and (c). An AIP that does not have an approved 2019 LPRA must submit a signed copy of the 2019 LPRA and all required Plan of Operation exhibits for review and approval. The 2019 LPRA Plan of Operation documentation required to participate in the sales of DRP must be submitted to RMA within 14 calendar days of RMA's publication of this Informational Memorandum.

Send all 2019 LPRA documentation to the attention of:

Via email: Dave.Miller@rma.usda.gov

Via overnight mail:

David Miller
Reinsurance Services Division, RMA
1400 Independence Avenue, SW, Stop 0801
Washington DC 20250-0801

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

Please direct any questions to David Miller at 202-720-9830. United States Department of Agriculture Farm Production and Conservation Risk Management Agency 1400 Independence Avenue, SW Stop 0801 Washington, DC 20250-0801

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