



United States
Department of
Agriculture

Risk
Management
Agency

1400 Independence
Avenue, SW
Stop 0801
Washington, DC
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BULLETIN NO: MGR-07-009

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

FROM: Eldon Gould /s/ *Eldon Gould*
Administrator

12/14/2007

SUBJECT: State and Federal Rebating Enforcement Initiative

BACKGROUND:

Section II.A.4 of the Standard Reinsurance Agreement strictly prohibits the rebating of Federal crop insurance premiums by approved insurance providers (AIPs) and their affiliates, except under certain conditions stipulated in the Federal Crop Insurance Act. In spite of this prohibition, the Risk Management Agency (RMA) and insurance department officials in many States have received a growing number of complaints and allegations of illegal rebates in recent years tied to Federal crop insurance purchases. Consequently, RMA and State insurance departments have decided to launch an initiative aimed at increased collaboration in the enforcement of rebating prohibitions. The attached two letters—one from the RMA Administrator and one from various State insurance regulators—describe this initiative.

ACTION:

AIPs must ensure that all employees and affiliates are notified regarding these two letters and their contents within fourteen days of the date of issuance of this bulletin. AIPs must also ensure that the contents of the letters are discussed in all FCIC program training sessions related to the sales and service of the Federal crop insurance program conducted by the AIP for its employees and affiliates starting fourteen days after the issuance of this bulletin through March 15, 2008.

DISPOSAL DATE:

This bulletin will remain in effect until December 31, 2008.



The Risk Management Agency Administers
And Oversees All Programs Authorized Under
The Federal Crop Insurance Corporation

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