



United States
Department of
Agriculture

INFORMATIONAL MEMORANDUM: IS-09-011

Risk
Management
Agency

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

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Washington, DC
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FROM: Sue Rourk King /s/ *Sue Rourk King* 8/11/2009
Acting Deputy Administrator for Insurance Services

SUBJECT: Moratorium on the Issuance of New Multi-Year Written Agreements
Beginning With the 2010 Crop Year

ISSUE:

The Risk Management Agency (RMA) is in the process of updating its data processing systems under the IT Modernization (ITM) project. The current written agreement data processing system is one of the systems that will undergo significant changes. Specifically, existing data records from active and expiring written agreements must be converted to new data record formats. To facilitate this conversion, RMA must temporarily stop providing new written agreements that apply to more than one crop year. This will create an opportunity to systematically update data records for all written agreements over several years instead of requiring insurance providers and RMA field offices to complete mass conversion in one year.

ACTION:

Effective beginning with the 2010 crop year, RMA is placing a moratorium on the approval of any new multi-year written agreements. All agreements that expire before the 2010 crop year may be renewed for the 2010 crop year as one year agreements if all renewal request criteria are met. All agreements approved by RMA in response to new 2010 crop year actuarial change requests will only apply to the 2010 crop year.

Active multi-year agreements ending after the 2010 crop year are not automatically cancelled by this memorandum. These agreements will remain in effect until the earlier of the crop year after the agreement ends, or cancellation by RMA, any other party to the agreement, or for any reason established by the policy.

When multi-year agreements end or are cancelled, a new agreement may be issued by RMA using the new data formats if all renewal request criteria are met. As this transition to ITM, and its associated data processing systems, moves forward, RMA expects to resume the practice of issuing multi-year agreements where applicable. Regional Offices will be notified when you can resume approving multi-year agreements.



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

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