



United States
Department of
Agriculture

Risk
Management
Agency

1400 Independence
Avenue, SW
Stop 0801
Washington, DC
20250-0801

BULLETIN NO.: MGR-05-003

TO: All Reinsured Companies
All Risk Management Agency Field Offices
All Other Interested Parties

FROM: Ross J. Davidson, Jr. /s/ *Ross J. Davidson, Jr.* 2/15/05
Administrator

SUBJECT: Simplified Claims Processing (SCP) Pilot Standards

BACKGROUND:

The Bulletin No.: MGR-01-007 issued February 12, 2001, extended the SCP Pilot criteria outlined in Bulletins MGR-98-030 issued October 9, 1998, and MGR-98-030.1, issued April 1999, for the 2001 and 2002 crop years. Bulletin No.: MGR-03-011 extended the SCP Pilot criteria for the 2003 and 2004 crop years. After the program pilot program changes implemented in MGR-01-007, the agency now believes it has sufficient information to evaluate the pilot standards and will be conducting such an evaluation during the 2005 crop year. In the meantime, the Risk Management Agency believes the SCP pilot standards should remain in effect during the evaluation process.

ACTION:

The SCP authority and criteria outlined in the above referenced Bulletins are in effect for the 2005 crop year with the following exceptions:

- 1) SCP limits are based on production; therefore, the indemnity's revenue component shall not be considered when determining SCP limits.
- 2) Reinsured companies are required to review 15 percent of self-certified SCP claims.

DISPOSAL DATE:

This Bulletin will remain in effect until March 31, 2006.



The Risk Management Agency Administers
And Oversees All Programs Authorized Under
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