



United States
Department of
Agriculture

Risk
Management
Agency

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Washington, DC
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BULLETIN NO: MGR-08-001

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

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

January 7, 2008

SUBJECT: Conflict of Interest Disclosure Guidance

BACKGROUND:

In accordance with of the Standard Reinsurance Agreement (SRA) section IV.F.(4)(h), and Appendix IV section C.(3)(c), all agents, loss adjusters, employees, and affiliates must submit an executed Conflict of Interest Disclosure Statement by the earliest applicable acreage reporting date, and any changes to a disclosure statement submitted in accordance with this bulletin within 15 days of entering a relationship requiring disclosure. The Risk Management Agency (RMA) has worked with the approved insurance providers (AIP) to develop guidance to establish a uniform implementation of the requirement and provide standardization between AIPs.

ACTION:

Attached are the information collection standards to be used for the required disclosure statement (Attachment A) effective with the 2009 reinsurance year. The form, which is to be developed by each AIP, must, at a minimum, include the collection of the information required by this bulletin and Attachment A. However, at the AIP's discretion, the form may include additional information. AIP's should design their conflict of interest data collection processes to provide for the electronic transmittal to RMA of the minimum data set required in Attachment A. RMA will not require the transmission of electronic conflict of interest information before the 2010 reinsurance year.

Any form developed in accordance with this Bulletin and Attachment A must require disclosers to certify that a disclosure statement will be provided to each approved insurance provider for which they are employed or affiliated. For each reinsurance year after the year of first disclosure, the form may contain a statement that allows the discloser to certify that no previously disclosed information has changed from the information contained in the previous year's disclosure.

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To clarify the AIP's review responsibilities, RMA has developed a summary of prohibitions and review requirements (Attachment B) in accordance with the requirements of the SRA, its Appendices, and other applicable policies, and procedures. Attachment B is to be used to evaluate the responses provided by the discloser and provides a general reference guide to determine which conflict of interest associated activity is prohibited and which conflict of interest associated claims must be reviewed.

The eligible crop insurance contracts associated with the discloser must be identified and the AIP must ensure that the mandatory reviews are conducted if a claim is filed. Elective reviews may be conducted by the AIP on other business, financial, legal, or familial relationships not requiring a mandatory review per Appendix IV.III.C.(3)(f)ii.

DISPOSAL DATE:

This manager's bulletin will remain in effect until rescinded, revised, or the information collection standard is incorporated into the SRA.