



United States  
Department of  
Agriculture

Risk  
Management  
Agency

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

**BULLETIN NO: MGR-08-005**

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

**FROM:** Eldon Gould /s/ *Eldon Gould* 3/14/2008  
Administrator

**SUBJECT:** 2008 Financial Assistance Program for Producers in Targeted States

**BACKGROUND:**

Section 524(b), Agricultural Management Assistance, of the Federal Crop Insurance Act (the Act) states that the Secretary shall provide financial assistance to producers in the States of --Connecticut, Delaware, Maine, Maryland, Massachusetts, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, West Virginia, and Wyoming. Pursuant to section 524(b) of the Act, funding will be made available by the Commodity Credit Corporation (CCC).

**ACTION:**

1. Financial assistance will be provided to producers purchasing buy-up insurance policies (except as excluded in paragraph 2) with acreage reporting dates or inventory value reports prior to September 30, 2008, in the above identified States for the 2008 crop year.
2. Policies not eligible for financial assistance include all catastrophic risk protection (CAT) policies and those insured under the Livestock Risk Protection (LRP) and Livestock Gross Margin (LGM) plans of insurance.
3. RMA will provide a fixed premium reduction of up to \$175 per crop policy for eligible producers. If the total producer-paid premium is less than \$175, the amount of premium reduction will be capped at 100 percent of producer-paid premium for the crop policy.
4. No portion of any administrative fee will be paid under this financial assistance program.



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

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5. RMA has \$4 million available for this initiative. If participation in the financial assistance program results in total expenditures that exceed this amount, the Risk Management Agency (RMA) will determine a “pro-ration factor” to bring the aggregated financial assistance to an amount equal to or below the \$4 million appropriation. Approved Insurance Providers (AIPs) will be required to utilize the “pro-ration factor” to determine accurate amounts of financial assistance to be submitted through RMA’s Data Acceptance System for validation and reimbursement purposes. If the “pro-ration factor,” when applied, results in underpayment of premium by insureds, the AIPs will be responsible for collection of any underpaid premium. AIPs will reduce the amount of financial assistance using the “pro-ration factor” for all eligible producers and reflect the correct amount of financial assistance in producers’ billing statements or revised billing statements (if applicable).
6. No additional application is necessary to qualify for this financial assistance program. Financial assistance will be applied automatically to all policies which meet the eligibility criteria outlined in this bulletin including those policies insured by written agreement not to exceed the \$4 million appropriation.
7. For billing purposes, AIPs will either deduct the amount of financial assistance from the producer premium on the billing statements, or note on the billing statement that the producer premium will be subject to a refund based on the final amount of financial assistance provided. In the event that participation results in the projected total expenditures for financial assistance exceeding the \$4 million appropriation, it will be reduced on a pro rata basis as outlined in Item #5 above.
8. In order to determine expenditures timely and accurately, AIPs should submit all information through the Data Acceptance System (DAS) for Appendix III record types 11 and 13 within 30 days of the applicable acreage reporting date.
9. AIPs must submit to RMA by September 19, 2008, a list of all policies receiving financial assistance for which Appendix III information was not accepted by DAS by the September accounting cut-off date (September 12, 2008). This list must contain the policy number, the plan of insurance, and the amount of financial assistance (Additional Subsidy) for each such policy. Please submit this list electronically in Microsoft Excel format to Lee Z. Ziegler, Economist, Reinsurance Services Division at [lee.ziegler@rma.usda.gov](mailto:lee.ziegler@rma.usda.gov).

10. Section 524(b)(3) of the Act provides that the total amount of payments made to a person (as defined in section 1001(5) of the Food Security Act (7 U.S.C. 1308(5)) for any program authorized under Section 524(b) may not exceed \$50,000. RMA will coordinate with other USDA agencies as necessary to apply this limitation.
11. The Financial Assistance Dollar Amount will be reported to RMA as “Additional Subsidy” on the Type 11 Record in accordance with Appendix III.

**DISPOSAL DATE:**

This bulletin may be disposed of after December 31, 2008.