

BULLETIN NO.: MGR-99-039

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

FROM: Kenneth D. Ackerman //signed//
Administrator

SUBJECT: Aquatic Crop Reinsurance Agreement

BACKGROUND:

On July 28, 1999, the Federal Crop Insurance Corporation (FCIC) Board of Directors (Board) approved the Cultivated Clam Crop (CCC) pilot program beginning the 2000 crop year. The Board approved reinsurance and subsidies in accordance with the Federal Crop Insurance Act. The CCC policy will be reinsured under the terms of the Aquatic Crop Reinsurance Agreement (Aquatic Agreement) as a non-revenue insurance plan, and provided administrative and operating expense subsidy of 24.5 percent of net book premium. The CCC policy language, forms and rates are available through the Reporting Organization Server.

The counties where CCC coverage will be available are:

Florida	Brevard, Dixie, Indian River, Levy
Massachusetts	Barnstable, Bristol, Dukes, Nantucket, Plymouth
South Carolina	Beauford, Charleston
Virginia	Accomack, Northampton

ACTION:

The Aquatic Agreement provides companies the option of delivering the CCC policy, the initial policy in FCIC's aquatic business class. The Company must provide FCIC the information listed



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

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in the Aquatic Agreement Plan of Operation (Aquatic Plan). If a Company has a Standard Reinsurance Agreement (SRA) for the 2000 reinsurance year and the SRA Plan information submitted to FCIC is applicable to the Aquatic Agreement Plan, the Company must state this in the Aquatic Agreement Plan submission. A Company may request that the escrow account established for funding the indemnities incurred under the SRA also be used for funding the indemnities of the Aquatic Agreement. Exhibits 11, 12, 13, and 14 are required as part of the Aquatic Agreement Plan.

Attached are two copies of the Aquatic Agreement which must be executed for FCIC to provide the Company reinsurance and subsidy on aquatic crop insurance policies for the 2000 and subsequent reinsurance years. Each copy must be signed as an original and returned to FCIC at the address shown below via overnight mail by November 15, 1999. The Agreement should be signed by the person authorized by the Company's Board of Directors to enter into this Aquatic Agreement.

OVERNIGHT MAIL:

USDA/Risk Management Agency
Reinsurance Services Division
E. Heyward Baker, Director
1400 Independence Avenue, SW
Stop Code: 0804
Room 6727-South Building
Washington, DC 20250
Phone: (202) 720-4232

Questions regarding this bulletin may be addressed to E. Heyward Baker, Director, Reinsurance Services Division, at (202) 720-4232, or to your account executive.

Attachments:

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