



United States Department of Agriculture

Farm and Foreign Agricultural Services  
Risk Management Agency

September 16, 2002

## INFORMATIONAL MEMORANDUM

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

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

SUBJECT: Publication of General Administrative Regulations (Basic Provisions) for Comment

On September 18, 2002, the proposed rule, *General Administrative Regulations, Subpart T-Federal Crop Insurance Reform, Insurance Implementation, Regulations for the 1999 and Subsequent Reinsurance Years; Group Risk Plan of Insurance Regulations for the 2001 and Succeeding Crop Years; and the Common Crop Insurance Regulations, Basic Provisions* will publish in the Federal Register. The proposed rule will be posted on our Website, [www.rma.usda.gov](http://www.rma.usda.gov), as it will appear in the Federal Register. You may also access the proposed rule at the Federal Register through the Internet at [http://www.access.gpo.gov/su\\_docs/aces/aces140.html](http://www.access.gpo.gov/su_docs/aces/aces140.html). We will distribute a copy of the proposed rule after it has been published in the Federal Register to all reinsured companies and other interested parties.

The rule proposes amends the basic crop insurance policy to implement requirements of the Agricultural Risk Protection Act (ARPA) and to address various audit findings and common concerns regarding the integrity and practicality of the program.

Because ARPA was several years in development, and has been in place since June 2001, we believe that most if not all of the proposed changes have been anticipated. Accordingly, the proposed rule asks for interested parties to provide comments within 30 days of publication. The 30-day comment period is necessary so that the proposed changes may apply to 2004 crop insurance programs, some of which are filed beginning in January 2003. We will need some time to seriously consider and address all comments and implement it in a timely fashion. We want to avoid the complications of a split-year implementation of the rule, but cannot wait another year for implementation. The 30 days will allow us to meet those goals and provide the needed lead-time for implementation to take place. If this ideal schedule is met, we would publish the final rule by early December.



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

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