



United States  
Department of  
Agriculture

Risk  
Management  
Agency

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Independence  
Avenue, SW  
Stop 0804  
Washington, DC  
20250-0801

**INFORMATIONAL MEMORANDUM: IS-08-005**

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

**FROM:** William J. Murphy /s/ *William J. Murphy* 4/22/2008  
Deputy Administrator for Insurance Services

**SUBJECT:** Premium Reduction Plan (PRP) Semi-annual Reports

**BACKGROUND:**

7 C.F.R. Ch. IV sections 400.719(a) – (k) outline the terms and conditions for PRP. In particular, section 400.719(d) states:

**“(d) The approved insurance provider must provide to the Director, Reinsurance Services Division semi-annual reports, or more frequent reports as determined by RMA, that, along with other information obtained by RMA, permit RMA to accurately evaluate the effectiveness of the approved insurance provider’s implementation of the premium reduction plan, in the manner specified by RMA. At a minimum, each report must contain for each State listed by the approved insurance provider under § 400.716(b):**

- (1) The number of small producers, limited resource farmers as defined in section 1 of the Basic Provisions in 7 CFR 457.8, women and minority producers making application; and**
- (2) The number, substance, and final or pending resolution of complaints from producers regarding the service received under the premium reduction plan.”**

**ACTION:**

This informational memorandum prescribes the manner in which PRP-eligible companies must submit the semiannual reports as required in 7 C.F.R. Ch. IV section 400.719(d). For all reinsurance years in which RMA operates the PRP program (except as noted below), all PRP-eligible companies must submit two reports, the first corresponding to fall sales and the second corresponding to spring sales. The content of the report must contain the following, which are specified in 400.719(d).



The Risk Management Agency Administrators  
And Oversees All Programs Authorized Under  
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- (1) The number of small producers, limited resource farmers as defined in section 1 of the Basic Provisions of 7 CFR 457.8, women and minority producers making application; and
- (2) The number, substance, and final or pending resolution of complaints from producers regarding the service received under the premium reduction plan.

Companies must submit the fall report by October 31 of the applicable reinsurance year. Companies must submit the spring report by April 15 of the applicable reinsurance year. For the 2008 reinsurance year only, RMA will accept the fall and spring reports within 45 days of the date of issuance of this bulletin.

All reports must be submitted with a cover letter, signed by an authorized representative of the PRP-eligible company, to the Director of Reinsurance Services Division. Reports may be sent by one of the following methods:

Electronic Mail

rma.mail@rma.usda.gov

(Attention to Director, Reinsurance Services Division)

FAX

(202) 690-3604

Regular or Overnight Mail or other Delivery Service

USDA, Risk Management Agency

Attn: Craig Witt, Director

Reinsurance Services Division

1400 Independence Avenue, SW

Stop 0804, Room 6747-S

Washington, DC 20250-0804

**DISPOSAL DATE:**

This Informational Memorandum is for the purpose of transmitting information and will remain in effect for all reinsurance years in which RMA operates the PRP program.