



United States
Department of
Agriculture

Farm and Foreign
Agricultural
Services

Risk
Management
Agency

Beacon Facility –
Mail Stop 0801
P.O. Box 419205
Kansas City, MO
64141-6205

February 13, 2013

INFORMATIONAL MEMORANDUM: PM-13-008

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

FROM: Tim B. Witt /s/ *Tim B. Witt*
Deputy Administrator

SUBJECT: Termination Date for Livestock Gross Margin for Dairy and Swine for
Delinquent Debt

BACKGROUND:

The Risk Management Agency (RMA) has received several inquiries from Approved Insurance Providers (AIP) regarding what date to use in the Ineligible Tracking System (ITS) for policies terminated due to a delinquent debt under the Livestock Gross Margin for Dairy (LGM-Dairy) and Livestock Gross Margin for Swine (LGM-Swine) policies.

ACTION:

In accordance with Section 2 (j)(2)(i)(A) and (B) of the LGM-Dairy and LGM-Swine Basic Provisions, a policy with delinquent premium will terminate retroactive to the sales closing date that is immediately subsequent to the sales period for which the premium is delinquent, even if insurance has already attached to the subsequent sales period. AIP's will need to request an authorization number from RMA to remove any affected livestock policies from the eDAS system. The ineligibility date to be entered into ITS is June 30.

In accordance with Section 2 (j)(2)(i)(C) of the LGM-Dairy and LGM-Swine Basic Provisions, for any other policy issued under the authority of the Federal Crop Insurance Act that does not have the same termination date of June 30, the termination for such other policy will be effective on the termination date following when a policyholder becomes ineligible. For example, a producer purchased an LGM-Dairy policy on February 25, 2011 and did not pay the premium by the premium due date and subsequently purchased a Federal reinsured corn policy on March 15, 2012. The LGM-Dairy policy is terminated June 30, 2012, and the producer is ineligible for any livestock plan of insurance as of the next sales closing date after February 25, 2011. However, the Federal reinsured corn policy would remain in effect for 2012 and would be terminated as of March 15, 2013 if the LGM-Dairy premium remained delinquent.

DISPOSAL DATE:

December 31, 2013



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

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