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*A Risk Management Agency Fact Sheet*

# About the Insurance Services Division

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## The RMA Mission and Insurance Services

The mission of USDA's Risk Management Agency (RMA) is to develop, maintain and deliver risk management tools to farmers so that they may better manage their business risks. We carry out our mission largely through crop insurance programs with a multitude of private-sector partners, including insurance companies and their agents. RMA also promotes risk management education for America's farmers and ranchers in concert with our private and public education partners.

RMA is staffed by approximately 530 people in offices around the country. There are three operating offices within the Agency: Insurance Services (IS), Research and Development (R&D), and Compliance. IS has three divisions and a field structure of 10 Regional Offices to provide focus to the programs we administer and promote. The three divisions are Risk Management Services, Reinsurance Services, and Risk Management Education.

## Risk Management Services Division

The Risk Management Services Division's (RMS) primary role is to ensure consistency for the crop insurance programs approved by the Federal Crop Insurance Corporation (FCIC) and administered by RMA. RMS reviews and/or coordinates reviews of all program standards and guidelines developed to ensure uniform underwriting and adjustment of claims and claims related services. These reviews are done to make certain that RMA programs are consistent with the statutory requirements to administer an actuarially sound crop insurance program, and operate at the legislatively mandated national aver-

age loss ratio of 1.075. The division also provides national guidance to our private insurance partners and Regional Offices on interpretation of underwriting and loss adjustment issues in controversial and unusual situations. Other significant activities of the division include interacting with congressional offices and committee staffs in resolving crop insurance program issues and serving as RMA's liaison for disaster management and recovery.

## Reinsurance Services Division

The Reinsurance Services Division's (RSD) primary role is to administer the Standard Reinsurance Agreements that the FCIC has with the 19 private-sector insurance companies who deliver federally subsidized crop insurance. The agreement is the linchpin of the insurance program as it outlines the roles, responsibilities and obligations of the government and our partners. RSD implements changes to the agreement as directed by Congress and represents the government when the agreements are renegotiated. It also monitors the financial performance of the agreement including the cost to deliver the program as well as the underwriting gains and losses of reinsured companies. This division initiates corrective actions taken against an insurance provider for violations of the terms of the agreement.

## Risk Management Education Division

The Risk Management Education Division (RME) leads the agency's promotion of risk management education for farmers and ranchers. It sponsors producer training workshops, risk management clubs, internet-based training, and other learning activities conducted by various agricul-

tural education organizations. (RMA-sponsored events are listed on their web site at: [www.rma.usda.gov/calendar](http://www.rma.usda.gov/calendar) .) It also sponsors the highly regarded National AgRisk Education Library, a web site at the University of Minnesota ([www.agrisk.umn.edu](http://www.agrisk.umn.edu)). RME also administers the Dairy Options Pilot Program (DOPP) (for more information, visit: [www.rma.usda.gov/training/programs/dopp](http://www.rma.usda.gov/training/programs/dopp)). DOPP provides training to dairy farmers on the use of "puts" in managing price risk. The program subsidizes the cost of farmer purchased "puts" on milk options traded on the Chicago Mercantile Exchange and the New York Board of Trade.

## Regional Offices

IS has 10 Regional Offices (ROs) strategically situated throughout the US. The ROs give RMA the local presence necessary to understand the needs of farmers and ranchers. Their responsibilities include reviewing policies, procedures, and rates developed at the national level to ensure that RMA takes into consideration the local conditions, practices, and needs of farmers. The

ROs also monitor the program performance and make recommendations to improve participation and/or improve the financial integrity of RMA programs. They work closely with RME in awarding grants and assisting local educators in delivering risk management education to farmers and ranchers.

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