

MANAGERS BULLETIN: MGR-19-023.1

DATE November 14, 2019

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

FROM: Martin R. Barbre, Administrator /s/ *Martin R. Barbre* 11/14/2019

SUBJECT: Extension – Deferral of Interest Charges on Crop Insurance Premiums

Background

The Risk Management Agency (RMA) issued Manager's Bulletin MGR-19-023 on August 15, 2019, regarding deferral of interest charges on crop insurance premiums. MGR-19-023 deferred accrual of any interest on unpaid crop insurance premium to the earliest of the applicable termination date or until November 30, for all policies with a premium billing date of August 15, 2019.

Action

For the 2019 crop year only, accrual of any interest on unpaid crop insurance premium is deferred to the earliest of the applicable termination date or until January 31, 2020, for all policies with a premium billing date of August 15, 2019. For any premium that is not paid by the earliest of the applicable termination date or January 31, interest will accrue consistent with the terms of the policy. For example, without this change, policies with an August 15 premium billing date would have interest attach starting October 1 if premium was not paid by September 30. However, under this change, policies that do not have the premium paid by January 31, 2020, will have interest attach on February 1, calculated from the date of the premium billing notice. AIPs should promptly notify potentially affected policyholders of said relief.

To assist the AIPs and provide relief from the requirements of the Standard Reinsurance Agreement that all uncollected premium be paid to the Federal Crop Insurance Corporation (FCIC), RMA will also defer collection of any unpaid producer premium from the AIPs, without interest, by an additional two months. The January monthly settlement report will be the basis for determining premium due the FCIC from the AIP. Interest will then begin to attach according with the terms of the Standard Reinsurance Agreement.

This Bulletin does not alter or change the Premium Billing Date as specified in the Special Provisions.

DISPOSAL DATE:

January 31, 2020