

PRODUCT MANAGEMENT BULLETIN: PM-22-029

DATE April 29, 2022

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

FROM: Richard H. Flournoy, Deputy Administrator /s/ Richard H. Flournoy 4/29/2022

SUBJECT: Livestock Risk Protection Changes Effective for the 2023 and Succeeding Crop Years

Background

The Federal Crop Insurance Corporation's Board of Directors (Board) approved revisions to the Livestock Risk Protection (LRP) plans of insurance, under section 508(h) of the Federal Crop Insurance Act, on August 25, 2021, November 19, 2021, and February 17, 2022. The following revisions are applicable for the 2023 and succeeding crop years:

- Increase head limits:
 - Fed Cattle: 12,000 head per endorsement and 25,000 head per crop year.
 - Feeder Cattle: 12,000 head per endorsement and 25,000 head per crop year.
 - Swine: 70,000 head per endorsement and 750,000 head per crop year.
- Allow an insured to have both an LRP and Livestock Gross Margin (LGM) policy; however, an insured may not insure the same class of livestock with the same end month or have the same insured livestock insured under multiple policies.
- Modify the premium offset language to allow an insured the choice to receive indemnities without a reduction to offset premium on any endorsements that have not ended.
- Clarify head limits are tracked by substantial beneficial interest (SBI).
- Extend the termination date from June 30 to August 31.
- Require proof of ownership before indemnity is issued.
- Clarify that livestock must be marketable by the end of the Supplemental Coverage Endorsement (SCE).
- Require insurance companies to pay indemnities within 30 days. Previously, insurance companies had 60 days to pay indemnities following the receipt of the claim form.
- Allow unborn swine coverage for operations with multiple entity structures.
- Modify the endorsement length for swine to a minimum of 30 weeks for unborn swine and a maximum of 30 weeks for all other swine.

Action

The following documents will be available by close of business today on the RMA website via the Livestock page at www.rma.usda.gov/Topics/Livestock-Insurance-Plans.

- 2023 Livestock Risk Protection Insurance Policy (23-LRP-BASIC)
- 2023 Livestock Risk Protection Specific Coverage Endorsement-Fed Cattle
- 2023 Livestock Risk Protection Specific Coverage Endorsement-Feeder Cattle
- 2023 Livestock Risk Protection Specific Coverage Endorsement-Swine
- Livestock Risk Protection Fed Cattle Fact Sheet
- Livestock Risk Protection Feeder Cattle Fact Sheet
- Livestock Risk Protection Swine Fact Sheet

The 2023 Livestock Risk Protection Handbook (20010) will be released at a later date.

Approved insurance providers must notify policyholders of these changes at least 30 days prior to the cancellation date, as required by the policy.

Interested producers should contact a crop insurance agent for further information. A list of agents can be found on the RMA website at www.rma.usda.gov/en/Information-Tools/Agent-Locator-Page.

If you have any questions, please contact the Product Administration and Standards Division Livestock Specialists at rma.kc.livestock@usda.gov.

DISPOSAL DATE:

December 31, 2023