

MGR-24-003.2: Amended - Notice to Cease and Desist Agent/Agency Contract Terminations

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Date

June 21, 2024

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Marcia Bunger, Administrator /s/ Marcia Bunger

Subject

Amended: Notice to Cease and Desist Agent/Agency Contract Terminations

Background

On March 15, 2024, the Risk Management Agency (RMA) issued MGR-24-003, Notice to Cease and Desist Agent/Agency Contract Terminations, requiring that Approved Insurance Providers (AIPs) cease and desist any cancellation of agent contracts until RMA completed its review of the information requested in the bulletin. On June 3, 2024, RMA issued MGR-24-003.1, wherein it lifted the cease-and-desist requirement of MGR-24-003.

MGR-24-003 also required AIPs certify that any future agent cancellation notifications will provide the affected agent/agency 60 days written notice, or the period of notice required by state law whichever is longer, prior to the first sales closing date of the agent/agencies book of business and provide RMA written notice 30 days prior to sending the agent/agency written notice. This requirement was established in the 2025 Standard Reinsurance Agreement (SRA) and Livestock Price Reinsurance Agreement (LPRA) Appendix II, Section II(i). Considering the additional information already being provided by AIPs under the new Section IV(p) in Appendix

II, RMA has determined certification is no longer necessary to RMA's continued monitoring of agent/agency contract terminations and the potential adverse impact on producers' ability to obtain and retain crop insurance coverage.

Action

RMA is lifting the notification/certification requirement in MGR-24-003 and the 2025 SRA and LPRA Appendix II, Section II(i). Informational requirements under Appendix II, Section IV(p) remain in place. RMA continues to monitor policyholder coverage and address issues with individual AIPs, as warranted.

DISPOSAL DATE:

December 31, 2024