

IS-26-001: 2026/2027 Standard Reinsurance Agreement (SRA) and 2027 Livestock Price Reinsurance Agreement (LPRA)

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Date

March 9, 2026

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Delores Dean, Deputy Administrator for Insurance Services /s/ Ben Marcy

Subject

2026/2027 Standard Reinsurance Agreement (SRA) and 2027 Livestock Price Reinsurance Agreement (LPRA)

The Risk Management Agency (RMA) has released the updated 2026 SRA at: <https://www.rma.usda.gov/policy-procedure/reinsurance-agreements/standard-reinsurance-agreement-archive>. Additionally, the 2027 SRA and Appendices I, II, and IV, and the 2027 LPRA and Appendices I, II, and IV, which become effective July 1, 2026, are located at: <https://www.rma.usda.gov/Topics/Reinsurance-Agreements>.

Revisions made to the 2026/2027 SRA:

Section I: "A&O inflation adjustment factor" is added to definitions.

1. Section III(a)(2)(D)(i): Updated the rates of reimbursement for the Supplemental Coverage Option and Stacked Income Protection plans to match the rate of reimbursement as required by section 11017 of the Agricultural Act of 2014.
2. Section III(a)(2)(G)(i)(IV): A&O inflation adjustment factor is updated.
3. Section III(a)(2)(H)(i)(IV): A&O inflation adjustment factor is updated.

4. Section III(a)(2)(I): Updated to reflect the additional A&O subsidy for additional expenses paid to AIPs for loss adjustment procedures (“Snapback”).
5. Section III(a)(2)(J): Reimbursement rate for crop insurance contracts covering agricultural commodities described in section 101 of the Specialty Crops Competitiveness Act of 2004 is added.
6. Section IV(b)(8)(D): Additional A&O subsidy percentage is updated to reflect change listed in Section III(a)(2)(I).

Revisions made to 2027 SRA Appendix II Expense Exhibits:

1. Exhibit III(f)(1-3) - Agent Compensation Template updated to include Third-Party Software Payments as defined by MGR-26-002.
2. Exhibit III(h)(1-3) - Total Expense Template updated to include Third-Party Software Payments as defined by MGR-26-002.

Revisions made to 2027 LPRA Appendix II Expense Exhibits:

1. Exhibit III(h)(1-3) - Total Expense Template updated to include Third-Party Software Payments as defined by MGR-26-002.

Companies wishing to participate during the 2027 reinsurance year must submit a signed copy of the applicable agreement and the Plan of Operation exhibits, to RMA by April 1, 2026. Email all 2027 SRA and 2027 LPRA documentation and any questions to your account executive.