



**United States
Department of
Agriculture**

Farm Production
and Conservation

Risk
Management
Agency

1400 Independence
Avenue, SW
Stop 0801
Washington, DC
20250-0801

BULLETIN NO.: MGR-19-006

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

FROM: Martin R. Barbre
Administrator

SUBJECT: Increased Catastrophic Risk Protection Endorsement Administrative Fee

BACKGROUND:

Section 11110 of the Agriculture Improvement Act of 2018 increased the Catastrophic Risk Protection (CAT) Endorsement administrative fee from \$300 to \$655 for each crop in the county.

The Federal Crop Insurance Act mandates that the Federal Crop Insurance Corporation (FCIC) offer a catastrophic risk protection plan to indemnify producers for decreases in yield due to natural causes of loss. It covers losses greater than 50 percent loss in yield, indemnified at 55 percent of the expected market price. FCIC generally subsidizes the entire premium amount.

ACTION:

The CAT Endorsement specifies the administrative fee amount as \$300 but allows the amount to be updated in the Special Provisions. Beginning with the April 30, 2019, contract change date, the Risk Management Agency will revise the CAT Endorsement administrative fee to \$655 for each crop in the county through a Special Provisions statement for all insurance offers with catastrophic risk protection coverage until the change can be incorporated into the CAT Endorsement.

DISPOSAL DATE:

Until rescinded or incorporated into policy.