



## Washington Report December 4, 2009

### CIRB News...

**Reminder: Register Online for 2010 Annual Meeting.** Members may now register online for CIRB's 2010 "Meeting of the Year," which will be held from February 10 – February 12, 2010 at the Hilton San Diego Bayfront in San Diego, California. Members are beginning to register, and all registration information has also been sent by mail. Sponsorship opportunities still remain; for more information, please contact Jessica Hixson at [jhixson@cropinsurance.org](mailto:jhixson@cropinsurance.org). **Click [here](#) to register online.**

### SRA News...

**RMA Releases Draft of Standard Reinsurance Agreement.** The Risk Management Agency released today the first draft of the SRA. According to those who participated in RMA briefings on Friday, the funding reductions as drafted total \$4 billion over 5 years (\$2.2 billion in A&O; \$1.8 billion in risk sharing). The draft SRA makes several changes to the current agreement, including but not limited to, de-linking A&O subsidies from the rise and fall of commodity prices and instead tying them to fixed commodity reference prices (to be based on the National Agricultural Statistics Service's season-average prices); reducing the number of potential reinsurance funds from 350 to 51 and using financial incentives to facilitate broader access to the crop insurance program; changing the government's share of the companies' overall gain or loss, increasing the Net Book Quota Share from 5 percent to 10 percent; eliminating the Developmental Fund and the three sub-funds under the Commercial Fund; revising the risk sharing terms for the Commercial Fund; and replacing the state-based Assigned Risk Funds with one nationwide Residual Fund. CIRB staff sent multiple RMA documents to members earlier today; please contact Paul Bleiberg at (202) 544-0067 if you had difficulty accessing them. **To view the draft SRA, click [here](#).**

### USDA News...

**RMA Revises Data for "Historical Rate of Return" Analysis.** RMA has updated some of the data that it provided to Milliman, Inc. in February 2009 for their "Historical Rate of Return" Analysis study. The only change is to the Historical Rate of Return for 2008. For more information, click [here](#).

**RMA Releases Studies Regarding Crop Insurance Methodology.** RMA recently released the results of a review of its premium rating methodology. Over the past few years, RMA has worked

with contractors and conducted internal assessments of this methodology, undertaking this year a comprehensive review of the Actual Production History and revenue rating methodologies. In the review, RMA issued several recommendations intended to balance the multiple objectives placed on crop insurance programs with the benefits of the proposed changes for producer and company costs. For more information, click [here](#).

**RMA Announces GRP/GRIP County Program Deletions.** This week, RMA released actuarial material that reflected certain Group Risk Program and Group Risk Income Protection county crop program deletions for corn, grain sorghum, cotton, and peanuts for the 2010 crop year. These deletions resulted partly from recent changes that the National Agricultural Statistics Service made to its publication standards for the county estimates program. For more information, click [here](#).

**FSA State Office Comprehensive Information Management System Access.** The Farm Service Agency recently informed states of the access schedule for the CIMS Application and User Guide, of reports accessible according to log-ins, and of known discrepancies between RMA and FSA data. For more information, click [here](#).

## Congressional News...

**House Committee Passes Legislation to Create Insurance Office.** This week, the House Financial Services Committee approved a bill that would create a Federal Insurance Office to advise the Treasury Secretary on domestic and foreign insurance issues. The measure will likely be included in financial overhaul legislation to be taken up on the House floor next week. Most of the insurance industry has either supported or remained neutral on this approach, which would only allow Treasury to pre-empt state laws if they are inconsistent with international trade agreements. This proposal is more limited than Senate Banking Chairman Christopher Dodd's bill that would create an Office of National Insurance.

**Cochran and Lincoln Introduce Disaster Aid Legislation.** Late last month, Senate Agriculture Chairwoman Blanche Lincoln (D-AR), Appropriations Ranking Member Thad Cochran (R-MS), and Senator Roger Wicker (R-MS) introduced legislation (S. 2810) to require USDA to provide emergency disaster assistance to certain agricultural producers, including specialty crop and livestock producers, that suffered losses in 2009. Reps. Marion Berry (D-AR) and Travis Childers (D-MS) have introduced a similar bill, the Agricultural Disaster Assistance Act of 2009 (H.R. 4177), in the House. For more information, click [here](#).

**House Outlook.** The House is poised to vote next week on a large **financial regulatory reform** package, which the Financial Services Committee completed in several parts. House Leadership is planning to bring up **job creation legislation** in the coming weeks, and the chamber is also likely to collaborate with the Senate to wrap up the **Fiscal Year 2010 Appropriations process**.

**Senate Outlook.** The Senate continues to debate and vote on amendments to **healthcare reform legislation**, and is expected to focus on that process for the remainder of this month. Additionally, the chamber will need to work with the House to pass an **omnibus Appropriations measure** to complete Congress' Appropriations work.

## Member News...

**Farmers Mutual Hail Announces Staff Promotions and Hires.** This week, Farmers Mutual Hail Insurance Company announced several changes to its staff. **Shannon Rutledge** has been promoted to Vice President and Assistant Manager of the MPCCI Department from his previous post as Assistant Vice President and Crop Insurance Coordinator. Additionally, **Ron Kuethe** will now serve as Vice President and Assistant Manager of the Reinsurance Department; he has been serving as the Department's Vice President. **Virginia Constable** has been promoted to Executive Assistant from Executive Secretary. Finally, **Donna Matzen** has been hired as Department Administrator from the Reinsurance Department; she served previously at Mid-America Commercial Real Estate.