



United States Department of Agriculture
Farm and Foreign Agricultural Services
Risk Management Agency

BULLETIN NO.: MGR-02-006

TO: All Reinsured Companies
All Risk Management Agency Field Offices

FROM: Ross J. Davidson, Jr. /s/ Ross J. Davidson, Jr. 03/25/02
Administrator

SUBJECT: Market Price Elections for Certain 2002 Crop Year Crops

BACKGROUND:

On January 15, 2002, the Risk Management Agency (RMA) announced it would provide flexibility for producers to elect certain 2002 crop year additional (hereafter referred to as “market price”) price elections. The announcement indicated the market price elections would be released not later than July 1, 2002.

Under the policy, producers elect a price election or make changes to their current election by the sales closing date. However, due to unusual circumstances the market price will likely not be announced until after the sales closing date for some crops.

ACTION:

The following procedures are to be used by insurance providers to administer the election of the market price election applicable for 2002 crop year corn, cotton, flax, grain sorghum, rice, sunflower, and soybean policyholders.

1. If an increased market price for a crop is announced by RMA, insurance providers must issue a notice within 10 business days of such announcement to applicable policyholders advising them:
 - a. of the increased market price;



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- b. that their previous price election (established or market price) in effect on the sales closing date will remain in effect (automatically increasing the premium and liability for applicable crop policies with the market price election) unless the policyholder provides notice to the agent or insurance provider that the policyholder is changing the price election to the established or market price as applicable;
 - c. the notice by policyholders must be provided not later than 10 business days after the date of the notice from the insurance provider of the increased market price.
2. Policyholders who do not provide notice of their change in price election within 10 business days of the notice of the increased market price will not be permitted to change their price election from that which was in effect on the sales closing date.
 3. All other changes affecting the insured's policy, such as changes in coverage level, plan of coverage, options, price election percentage, etc., must still be made by the sales closing date.

DISPOSAL:

The disposal date of this bulletin is December 31, 2002.