



**United States  
Department of  
Agriculture**

Risk  
Management  
Agency

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INFORMATIONAL MEMORANDUM: IS-07-003

TO: All Reinsured Companies

FROM: Craig A. Witt, Director /s/ *Craig A. Witt* 3/1/2007

SUBJECT: 2008 Standard Reinsurance Agreement, Appendix II - Plan of Operations Submission Guidance

The Reinsurance Services Division (RSD) is providing the following information to approved insurance providers (AIPs) to aid in the preparation and submission of the 2008 Appendix II - Plan of Operations (Plan of Ops). The cooperation of all AIPs in carefully following this guidance is appreciated so that RSD will be able to review and evaluate all 2008 Plan of Ops thoroughly and efficiently.

**Electronic Submission**

The following changes have been made in an effort to ease the logistical burden on AIPs, as they submit annual Plan of Ops, and the Risk Management Agency (RMA), as it evaluates the plans:

- a. Unless an AIP is specifically notified to the contrary, or an AIP does not file this information with the NAIC, RMA will no longer require AIPs to submit the following items as part of the annual Plan of Ops submission. (RMA is currently receiving this information electronically from the National Association of Insurance Commissioners (NAIC) through its Information Sharing Agreement).
  - i. Exhibit 10a – Statutory Annual Statements
  - ii. Exhibit 10b – Statutory Quarterly Statements
  - iii. Exhibit 10d – Management Discussion and Analysis
  - iv. Exhibit 10f – Actuarial Opinion of Reserves
  - v. Exhibit 10h – NAIC IRIS Ratios
- b. File Types:
  - i. Each item listed in Appendix II (with the exceptions mentioned in (a) i-v) for either the Standard Reinsurance Agreement (SRA) or Livestock Price Reinsurance Agreement (LPRA) should be submitted electronically by the deadline.
  - ii. All Plan of Ops exhibits should be submitted as individual files. An exception to this rule is Exhibit 10, for which each sub-item will require its own file (ie. 10m, 10n,).



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iii. The following exhibits submitted under the SRA should be in Excel™ spreadsheet format (“.xls”) to facilitate RMA’s quantitative evaluation

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process: 10m, 10n, 10o, 12, 13, 14, and 18b. The following exhibits submitted under the LPRA should be in Excel™ format: 10m, 10n, 10o, and 16b (if not already submitted under the SRA) and 12 and 13. All other exhibits submitted under either the SRA or LPRA should be submitted as PDF files.

- c. Naming Convention for all Plan of Ops Files:  
Each exhibit’s file name should contain the following items of information separated by a space
- i. The AIP’s DAS reporting organization code.
  - ii. The reinsurance year, i.e 2008.
  - iii. “EX” for SRA exhibits or “LEX” for LPRA exhibits.
  - iv. Two digit exhibit number; For item 10 exhibits only, follow the two digit “10” with a small case letter representing exhibits 10m, 10r, etc.
  - v. Exhibit submission date in YY-MM-DD format.
  - vi. A period followed by the file type, i.e. “pdf” or “xls”.

EXAMPLES of proper file names for a fictitious AIP with “RO” as the Reporting Organization Code submitting its Plan of Ops on April 2, 2007:

RO 2008 EX 01 07-04-02.pdf	(SRA, Exhibit 1)
RO 2008 EX 10r 07-04-02.pdf	(SRA, Exhibit 10r)
RO 2008 EX 13 07-04-02.xls	(SRA, Exhibit 13)
RO 2008 LEX 11 07-04-02.pdf	(LPRA, Exhibit 11)

### **Miscellaneous Plan of Operations Guidance**

- a. Submission of Audited MGA Financial Statements. AIPs operating with an appointed Managing General Agency (MGA) must submit audited financial statements for the MGA specifically identified as Exhibit 10j for the year ended December 31, 2006 or, if using a different fiscal year, for the fiscal year most reflective of 2006 activity. If audited statements are not available at the time of Plan of Ops submission, indicate the date when they are expected to be available. RMA reserves the right to delay the AIP’s 2008 Plan of Ops approval without the receipt and review of the MGA’s audited financial statements.
- b. Livestock Price Reinsurance Agreement. If an AIP is applying under both the SRA and LPRA, it will be required to submit only those exhibits for the LPRA that are different from those of the SRA.

### **Pandemic Planning**

For the 2007 Plan of Ops approved last year, RSD requested that AIPs complete the

and Human Services. The checklist was provided to assist in planning efforts and to inform RSD of the AIP's pandemic readiness. Insurance providers should update the checklist and provide a progress report indicating steps that have been taken to increase readiness since the previous checklist was submitted. These should be included with the 2008 Plan of Ops submission. Pandemic information (updated checklist and progress report) should be submitted electronically in one pdf file with a naming convention similar to that for other Plan of Ops exhibits, with the date of the submission in the file name, i.e.:

“RO 2008 PANDEMIC YY-MM-DD.pdf.”

Following are websites to assist you in your continued planning efforts:

DHS Ready Business website <http://www.ready.gov/business/index.html>

HHS Pandemic Flu Planning for Businesses website

<http://www.pandemicflu.gov/plan/business/index.html>

OSHA Guidance on Preparing Workplaces for an Influenza Pandemic

[http://www.osha.gov/Publications/influenza\\_pandemic.html](http://www.osha.gov/Publications/influenza_pandemic.html)

### **Premium Reduction Plans**

AIPs may request to be eligible for the opportunity to offer PRP for the 2008 reinsurance year. Any AIP wishing to request PRP-eligibility must do so as a supplement to its Plan of Ops and in accordance with the terms set forth in the PRP interim rule. Specifically, interested AIPs are referred to 7 C.F.R. 400.716, “Contents of the request for the opportunity to offer a premium discount.” The entire submission (items a through e in the rule) should be submitted electronically as one “.pdf” file, listing the date the package was submitted in a format similar to that for other Plan of Ops exhibits described above, i.e.:

“RO 2008 PRP YY-MM-DD.pdf”

### **Deadline for Submission of Plan of Ops**

The 2008 Plan of Ops must be submitted to the Reinsurance Services Division by close of business Monday, April 2, 2007. If you have questions regarding this memorandum please consult with your Account Executive.

Attachment: Pandemic Planning Checklist