

United States Senate

WASHINGTON, DC 20510

November 10, 2011

The Honorable Tom Vilsack
Secretary
U.S. Department of Agriculture
Jamie L. Whitten Building
1400 Independence Ave, SW
Washington, DC 20250

Dear Secretary Vilsack:

Since passage of the Crop Insurance Reform Act in 1994, and subsequent modernizations in 2000 and 2008, participation in the Federal Crop Insurance Program has increased steadily. Today, farmers in our states consistently cite crop insurance as the most important risk management tool available.

Given growing farmer participation, an increasing number of available insurance products, and recent program changes, we understand the importance of maintaining a fair and actuarially sound crop insurance program. For this reason, we strongly support the periodic, third-party review of the U.S. Department of Agriculture (USDA) Risk Management Agency's (RMA) crop insurance rating methods.

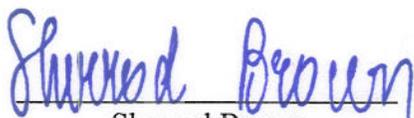
We write today to underscore the statutory obligations that should guide the USDA's decisions regarding how best to utilize the results of the comprehensive review of the RMA's Actual Production History (APH) and COMBO rating methodology contracted in 2011, which is currently under peer review.

RMA has a statutory obligation to manage the ratemaking process in a manner that maximizes participation in crop insurance, ensures equity for producers, analyzes ratings and loss history, and sets premiums appropriate to cover anticipated losses and a reserve. Over time, there have been numerous rating adjustment activities, each targeted at improving the uniformity of loss experience. The coverage level differentials were set to improve the actuarial equity of the options. If the evidence indicates that average loss ratios over time do not correspond to RMA's current rating system, then adjustments can and should be made.

For crop insurance programs to provide meaningful risk mitigation, it is critical to continue moving toward increasingly sound ratings. We look forward to seeing the final results of the

most recent peer-reviewed study. We urge you to publish the study and rely on its results to inform any adjustments to insurance ratings in a timely and transparent manner in the 2012 crop year.

Sincerely,



Sherrod Brown
U.S. Senator



Mike Johanns
U.S. Senator



Dick Durbin
U.S. Senator



Dick Lugar
U.S. Senator



Claire McCaskill
U.S. Senator



Mark Kirk
U.S. Senator



Tom Harkin
U.S. Senator



Roy Blunt
U.S. Senator



Rob Portman
U.S. Senator