

# AMENDING THE SRA to Address Adjuster Proficiency



By Dr. Laurence M. Crane, NCIS

Recently all companies delivering the Federal crop insurance program agreed to an optional amendment (Amendment No. 2) to the Standard Reinsurance Agreement (SRA) addressing adjuster licensing. This amendment was the result of a combined effort by the Risk Management Agency (RMA), the National Association of Insurance Commissioners (NAIC), and National Crop Insurance Services (NCIS) who have been focusing together on these issues for several years.

Amendment No. 2 specifically allows RMA to recognize a third-party testing program for loss adjuster proficiency in states that have no licensing requirements or in states in which requirements are not crop insurance specific. It also addresses the specific problem in states that require loss adjuster license testing in property and casualty insurance areas other than crop insurance. Crop insurance is sufficiently unique to warrant crop insurance specific proficiency testing. However, RMA recognizes the valuable partnership it has fostered with state regulators in many aspects of insurance regulation and the fact that some states are making a good faith effort to better tailor their loss adjuster licensing

requirements for crop insurance. Consequently, a general Federal pre-emption of all state loss adjuster licensing requirements was not desirable.

Although Amendment No. 2 was initially developed to address the specific problem for crop loss adjusters in states requiring general property and casualty testing, a number of other program benefits became apparent in discussions between RMA, state regulators, and the industry. These benefits include:

- Greater consistency of loss adjuster proficiency across all states;
- An increase of loss adjuster proficiency, especially in those states with no current licensing requirements;
- Greater awareness among state regulators regarding the uniqueness of crop loss adjusting;
- Elimination of unnecessary barriers for persons wishing to become new crop loss adjusters; and,
- Improved Federal crop insurance program integrity with the addition of effective third party proficiency testing.

Technically, Amendment No. 2 authorizes RMA to replace state licensing requirements with FCIC certification. However, FCIC certification will still depend heavily on state loss adjuster licensing requirements. To best understand how this will work, one should consider the various current states' loss adjuster licensing requirements in three broad categories: a) those with crop insurance specific requirements; b) those with requirements that are not crop insurance specific; and, c) those with no requirements. For group (a), those state requirements would continue to apply to all loss adjusters operating in the state. For

group (b), those state requirements would continue to apply until the 2012 reinsurance year, at which time the completion of an RMA-approved proficiency testing program would be considered by RMA to be sufficient for a person to be authorized to perform Federal crop insurance loss adjusting, unless the state adopts a crop insurance specific license in the interim. For group (c,) the completion of an RMA-approved proficiency testing program would be a new requirement for all loss adjusters beginning in the 2010 reinsurance year. RMA anticipates that, over time, the Amendment will encourage many states to adopt crop insurance specific loss adjuster licenses based on their own testing program or on an RMA-approved proficiency testing program.

To meet RMA's third party testing as proposed in the amendment, NCIS has developed the Crop Adjuster Proficiency Program (CAPP). The following describes the mechanics of the CAPP.

## Crop Adjuster Proficiency Program

The goal of the Crop Adjuster Proficiency Program (CAPP) is to ensure that all loss adjusters of Federally insured crops have demonstrated an approved level of proficiency. The objective is to fulfill the education and testing requirements necessary for individual crop adjusters to qualify for a state crop adjuster license, and to satisfy the continuing education requirements for adjusters of crops insurable under the Federal crop insurance program administered by RMA.

The two components of this proficiency certification are: 1) the process of obtaining,

maintaining, and verifying adjuster proficiency, and 2) determining and maintaining the content or knowledge base required for an individual to receive and maintain a proficiency designation.

### Process

To receive a proficiency certification, an individual would be required to accomplish the following:

#### Step 1: Satisfy all company level SRA required training

*(See summary of SRA requirements listed in the accompanying box)*

Complete all Approved Insurance Provider (AIP) training requirements for adjusters as specified in the SRA, including passing a company administered Competency Exam. These company level competency exams are where regional and/or individual crop specific (e.g., nursery, coarse grains, livestock, etc.) issues are covered.

#### Step 2: Gain access to the NCIS CAPP testing site

Upon completing the SRA training requirements with a company, the AIP will give the adjuster a unique company identification code that will be required to logon to the NCIS testing web site. The company will also provide to NCIS the names and social security numbers of the individual adjusters who have completed the SRA required training with their company. The adjuster will use the provided company code and their social security number to gain access to the NCIS CAPP testing site. On their initial visit, adjusters will establish a user id and password to use for subsequent visits to the NCIS CAPP testing site.

#### Step 3: Complete the three required CAPP exams

Pass at the 80 percent level, three online open-book, timed exams developed and administered by NCIS. These exams would cover:

**Exam 1** - General Insurance Terms and Concepts (35 questions/75 minutes)

**Exam 2** - Basic Policy Provisions (35 questions/75 minutes)

**Exam 3** - Loss Adjustment Manual and general adjuster information (50 questions/120 minutes)

# Summary of SRA

## Adjuster Training Requirements

New loss adjusters must participate in a structured training program of at least 60 hours (including at least 24 hours of classroom training).

Experienced loss adjusters must annually complete at least 18 hours of structured training (including at least 6 hours of classroom training).

All loss adjusters must pass a basic competency test every three years.

#### Step 4: Receive documentation of CAPP completion

Once an individual has successfully passed the required exams, NCIS will provide the individual with documentation verifying the individual's proficiency status. (The adjuster will receive an individualized credit card-sized plastic card similar to those used in the health insurance industry to provide proof of insurance.) The individual will use this documentation as proof to state insurance departments that they have satisfied the education and testing requirements established by the crop insurance industry. NCIS will also provide each AIP with the status of each individual who has accessed the NCIS CAPP testing site using their company specific access code. NCIS will also verify to any state insurance department that the individual of interest has completed the exams as required. Upon request, NCIS will also provide RMA with the status of each individual who has accessed the NCIS CAPP testing site. Only pass/fail results, and not individual scores, will be provided to AIP's, insurance departments, and RMA.

#### Step 5: Complete SRA Continuing Education requirements to maintain Certification

To maintain the NCIS Crop Adjuster Proficiency designation, the adjuster must complete the annual company training requirements specified in the SRA. Each AIP will report to NCIS the adjusters who have satisfied these requirements with their company. Any individual who does not meet these requirements by the end of each calendar year will have their designation can-

celled. Once cancelled, an individual would need to successfully re-take the three qualifying exams.

### Verification

NCIS will maintain a historical database of individuals who have qualified for the Crop Adjuster Proficiency designation and the status of their annual continuing education requirements. This database can be accessed only by user id, password, and company code. Thus a company can only access the pass/fail records for those individuals who registered to take an exam using their company code. An individual will only be able to access their own personal records.

RMA and state insurance departments will have permission to audit the designation process and content (all exams, content material upon which the exams are based, any education modules developed specifically for exam preparation, etc.) of the CAPP upon request, including the historical database of individuals receiving certification. In fact, NCIS would encourage state insurance departments to review the program in sufficient detail to acquire a high level of comfort.

### Implementation Schedule

The CAPP website is fully operational and is accessible from the NCIS homepage ([www.ag-risk.org](http://www.ag-risk.org)). In early May, NCIS will be conducting another training session for AIP administrators to become fully familiar with all CAPP features, enabling them to help the adjusters in their companies who take the CAPP exams. A series of articles with specific detailed instructions about CAPP will be included in future issues of *Crop Insurance TODAY*.

# Crop Adjuster's Guide to NEW CAPP WEB

By Lisa Cain, NCIS

In April 2008, National Crop Insurance Services (NCIS) launched the Crop Adjuster Proficiency Program (CAPP). The CAPP Accreditation is designed to help Multiple Peril Crop Insurance (MPCI) loss adjusters comply with individual State Insurance Department licensing requirements for crop adjusters. (See “*Amending the SRA to Address Adjuster Proficiency*” on page 4 for more details about the origin and need for the CAPP program.) To obtain the CAPP designation, the crop loss adjuster must successfully complete a series of three online exams. Those who do so will receive a CAPP ID card. The CAPP ID card serves as documentation that the cardholder has met the necessary

requirements to obtain a NCIS Crop Adjuster Proficiency designation.

This article is designed to help crop loss adjusters become familiar with the CAPP web site. This article will detail how to obtain access to the CAPP web and the resources found there, the purpose of the related learning management system (LMS), and how adjusters can achieve the CAPP Accreditation.

## CAPP WEB SITE

The CAPP web site is accessible through the NCIS home page. Go to [www.ag-risk.org](http://www.ag-risk.org) and click on the CAPP link. This link will take you to the welcome page for the CAPP. As indicated in Image 1,

the CAPP site divides the computer screen into three sections.

### Section 1—Top

The top section contains the NCIS logo, the site title and the login area.

### Section 2—Left

At the left side of the screen is a list of file folders and web pages to which you have access. At the bottom of this section are the NCIS copyright and an email link to the CAPP Web Manager.

### Section 3—Right

CAPP web pages are displayed in the window at the right side of the screen. This

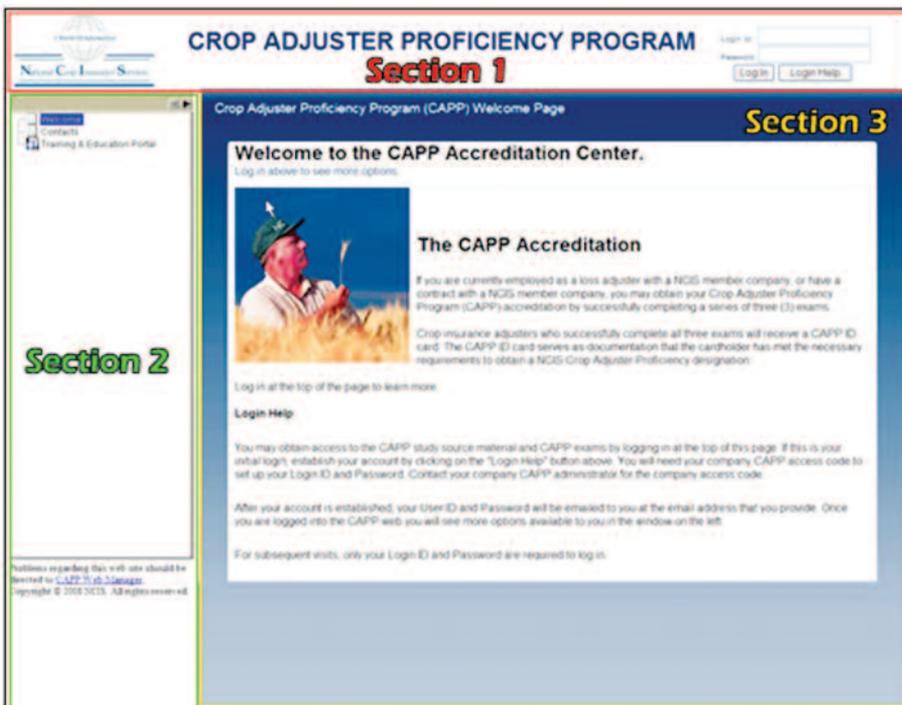


Image 1. The CAPP web pages are divided into three sections.

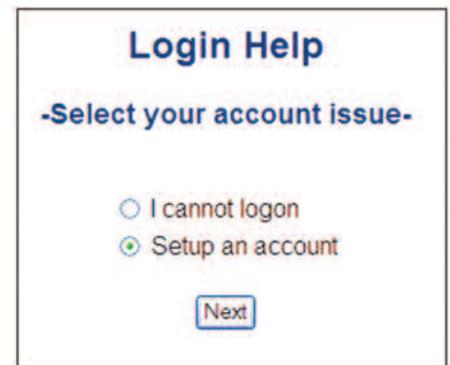


Image 2. Click on the circle to “Setup an account.”



Image 3. Indicate “Adjuster” by clicking on the circle.

area is dynamic and will change to display any page selected in Section 2 at the left.

## CAPP Web Log In

Each approved insurance provider (AIP) will transmit to NCIS a list of their adjusters who have met the standard reinsurance agreement (SRA) training requirements. Only these adjusters will be permitted to set up a Login ID and Password.

Once on the CAPP web site, adjusters may set up a Login ID and Password by clicking on the “Login Help” button at the top of the page (Image 1). After the screen changes, click on the circle in front of the option “Set up account” and click the “Next” button (Image 2). The system will ask you to indicate if you are an adjuster or a non-adjuster. Click on the circle in front of “Adjuster” and click on the “Next” button (Image 3). This will take you to the “Establish Adjuster Account” screen (Image 4).

To set up an account, enter the requested information displayed in the “Establish Adjuster Account” screen. All required information must be entered to establish a Login ID and Password. Account information will be verified against the data transmitted to NCIS by your AIP. Your account information is securely transmitted to NCIS during the account setup process.

Among other things, you will be required to enter a company access code. This code is unique for every AIP. If you do not know the access code for your company, contact your AIP CAPP administrator. The company access code is only used during the initial account setup process. Subsequent visits to the CAPP web site will require only the Login ID and Password.

After all required information is entered, click on the “Add Adjuster” button. Upon submission, the CAPP system will tell you that an email message was automatically sent to the email address provided during the account setup process. For this reason, the email address entered during the account setup process must be a functioning email address and must be typed correctly into the required “Email” field. The email message will include the Login ID, a Temporary

**Login Help**

**-Establish Adjuster Account-**

\*First Name:

Middle Init:

\*Last Name:

Suffix:

\*Social Security Number:

\*Email:

\*Phone:  ex. 8005551212

\*Zip Code:

\*CAPP Access Code:

\* Required fields

Image 4. Information is required of the adjuster to establish an account.

**Confirm Adjuster Account**

**-Reset your password-**

\*Login:

\*Password:

\*New Password:

\*Confirm New Password:

Image 5. The adjuster will need to confirm the account information.

Password, and a link to the CAPP web. Click on the link in the email and you will be asked to confirm your adjuster account by entering the Login ID, Temporary Password and a new Password (Image 5). Change your password to something that is easier for you to remember. Type your new password a second time in the “Confirm New Password” field. Click on the “Next” button and the account registration process is complete.

## CAPP Web Options

Once logged into the system, you will be taken to the secured default welcome page, and the options displayed in Section 2 at the left side of the screen will expand to include additional content (Image 6).

### Welcome

The welcome page explains the CAPP Accreditation as well as the other options available in Section 2 of the screen.

## Source Material Option

The source material used to create the CAPP exam questions can be found under the “Source Material” option. This area includes portable document format (.pdf) copies of the Crop Adjuster Study Guide, the Basic Provisions of Insurance and the Loss Adjustment Manual (LAM). Use these study materials to prepare yourself for the series of CAPP exams. The Crop Adjuster Study Guide includes information such as the fundamental principles of insurance, and general insurance term definitions and concepts. This information is the source for CAPP Exam 1. The Basic Provisions of Insurance is the source for CAPP Exam 2, and the LAM is the source for CAPP Exam 3. Adobe Reader is required to view these source documents. Adobe Reader may be downloaded free of charge at [www.adobe.com](http://www.adobe.com).

## FAQ Option

A list of frequently asked questions is located under the “FAQ” option. If you have questions, please consult this list before contacting your Company CAPP administrator. See the “Contacts” option below for additional information.

## Exam Option

Among the options is the “Exam” option. Click on “Exam” and you will be taken to the NCIS Learning Management System (LMS) main page (Image 7). The LMS is where you go to take the CAPP exams. See “CAPP Exams” below for further details about the LMS and the CAPP exams.

## Account Info

The information entered during the account setup process may be viewed by clicking on the “Account Info” option. This option also allows you to change the primary address, email address, phone number, and password.

## Contacts

The AIP CAPP administrator contact information is located under the “Contacts” option. If you have any questions regarding the CAPP, you should first review the “FAQ” option. If questions still remain, you should contact the AIP CAPP administrator. If there are questions that the CAPP administrator can not answer, then you or the

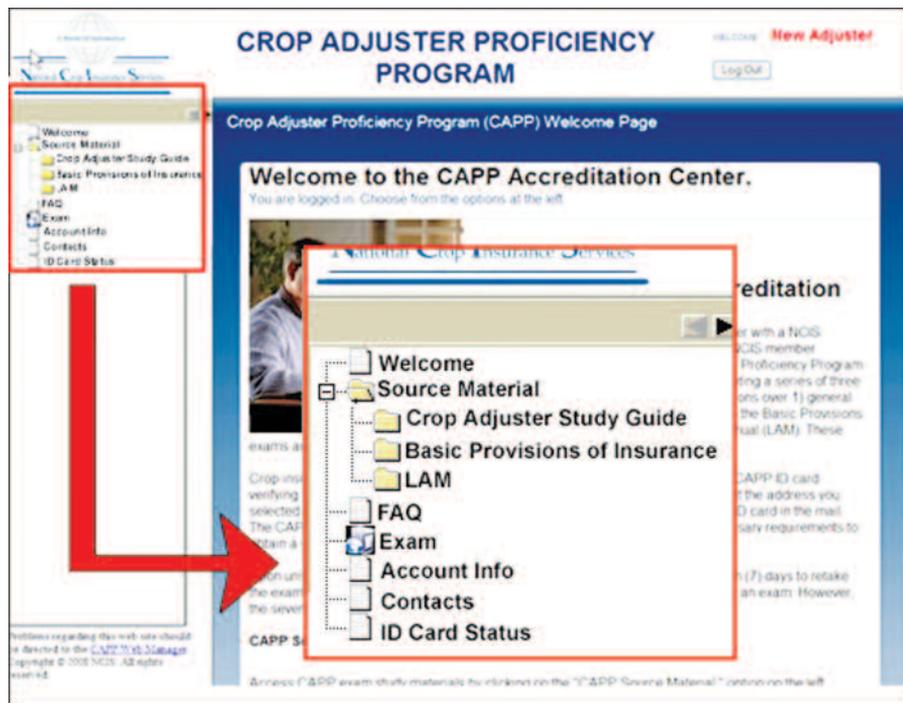


Image 6. Logging in expands the options available to the adjuster.

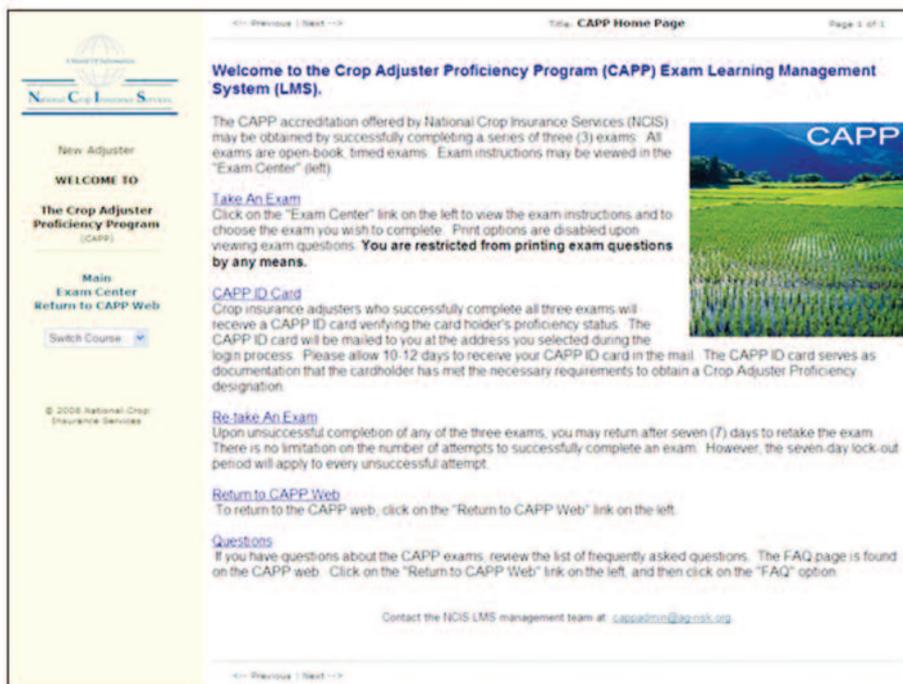


Image 7. LMS Main Page.

AIP administrator may contact the NCIS CAP accreditation team by clicking on the link located at the bottom of Section 2.

## ID Card Status

This option is only available to you after you have passed all three exams. Crop insurance adjusters who successfully complete all three CAPP exams will receive a CAPP ID card verifying their proficiency status. To check the status of your ID card,

click on the “ID Card Status” option. If your CAPP card is lost or destroyed, you may request a new one by using the “ID Card Status” option.

## CAPP Exams

The LMS is used to administer the exams. It contains the three CAPP exams and a practice exam. Use the practice exam to become comfortable with the

online exam technology. The questions for this exam are not related to crop insurance, but they are multiple choice and true and false questions that are posed one at a time, just like the CAPP exams. Take the practice exam as many times as you like until you feel comfortable with the technology and the exam process. The result of your practice exam is not revealed to anyone but you.

The three CAPP exams are timed open-book exams. Because they are timed, you must be proficient in the subject matter to successfully complete the exams in the time allotted. Also, because they are timed, it's important to take the practice exam so you know what to expect from the technology before you begin the CAPP exams.

CAPP exams are comprised of randomly selected questions. These questions are pulled from a large pool of questions that were written based on the exam source material. Therefore, the chance that any two CAPP exams will be identical is extremely unlikely.

The exams are located on the LMS in the "Exam Center" (Image 8). To begin an exam, click on the "Start Exam" link for the desired exam. The instructions and exam details appear before the exam begins (Image 9). CAPP Exams 1 and 2 are each comprised of 35 questions that must be answered within 75 minutes. To complete CAPP Exam 3 which covers the Loss Adjustment Manual (LAM), you must answer 50 questions within 120 minutes. You must receive a grade of 80 percent or better to pass a CAPP exam.

Click on the "Start the Exam" button to launch the exam and start the timer. During the exam, questions are posed one per page. To help protect the integrity of the exam, the print capability on your computer will be blocked when the exam questions are displayed. Select your answer by clicking on the circle preceding your choice. Click on the "Next" button to advance to the following question. Continue this process until all questions are answered. When you reach the end of the exam, click on the "Submit Exam" button (Image 10). The system will verify that you want to sub-

mit the exam. Click the "OK" button, and the exam is complete.

Upon submission, the CAPP exam is graded and the result is recorded. The LMS keeps track of exam results. Each adjuster's CAPP exam results are reported to their company on a pass/fail basis. Exam grade percentages are displayed in the "Exam Center." These percentages may only be viewed by the individual adjuster.

If the attempt to pass a CAPP exam is **not** successful, the adjuster may return after seven days to retake the failed exam. This seven-day lock-out period only applies to the exam that was unsuccessfully attempted. Other CAPP exams are not affected.

## CAPP ID Card

Once you have successfully completed all three CAPP exams, you will receive a NCIS issued CAPP ID card. The ID card

# Obtain Your CAPP Accreditation

If you are a MPCII crop loss adjuster who has not met the SRA training requirements for loss adjusters, contact your company to see what you can do to meet those requirements. If you have already met the SRA requirements, all you need to do to begin earning your CAPP Accreditation is to obtain the company access code from your Company CAPP administrator. Talk to your supervisor if you are uncertain how to contact your company CAPP administrator.

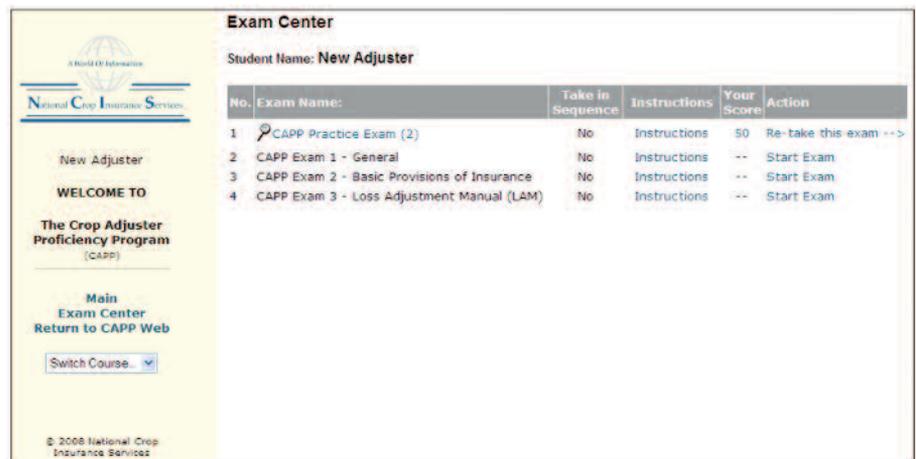


Image 8. LMS Exam Center.

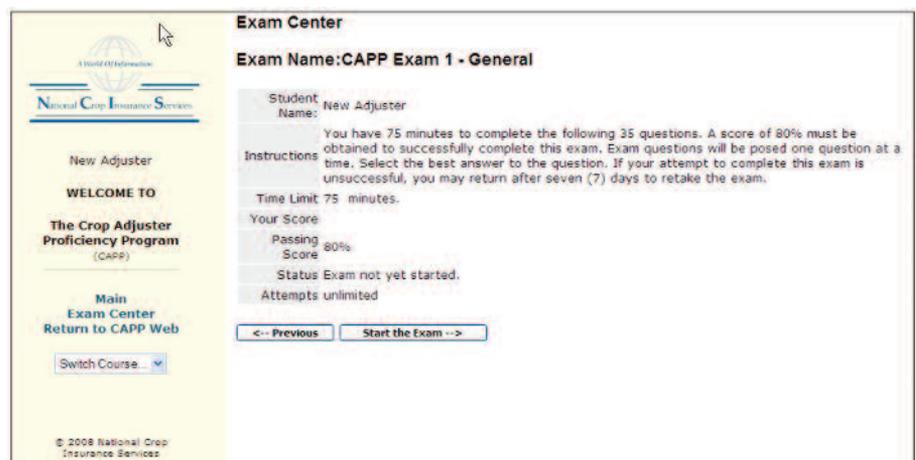


Image 9. The instruction and exam details appear before the exam begins.

will be mailed to you at the address selected during the account setup process. (Please allow 10 to 12 days for delivery.)

The CAPP ID card is 3.25 x 2 inches in size and is made of thick plastic, much like a driver's license or a credit card. The front of the CAPP ID card is equipped with a unique hologram coating. This safety feature is designed to deter any attempt to create a counterfeit card, thereby protecting the integrity of the CAPP Accreditation. Printed on the front of the CAPP ID card is your name and unique ID number, the date the card was issued, and the date the card will expire. The back of the card states that the holder of the CAPP ID card has successfully achieved the CAPP Accreditation, and this designation is current through the expiration date on the front of the card. NCIS contact information is also included.

Adjusters who do not stay current with the SRA training requirements will forfeit their CAPP Accreditation status.

## Yearly CAPP Renewal Process

Adjusters who successfully complete the CAPP Accreditation will be automatically renewed every year if he/she fulfills the yearly SRA training requirements for loss adjusters. Each AIP will notify NCIS of all adjusters who have met the SRA requirements with their company and this information will trigger the CAPP ID card renewal process. In January, prior to the expiration of the current CAPP ID card, NCIS will issue a new CAPP ID card to all adjusters who have fulfilled the SRA training requirements for adjusters. This new ID card is applicable until January 31 of the following year.

If NCIS does not receive notice that the SRA requirements have been satisfied for an adjuster prior to December 1 of the current year, NCIS will issue an Adjuster Non-Renewal Warning Report to the AIP. This report will list the adjusters for that AIP who have not met the SRA training requirements and therefore will not have their CAPP Accreditation renewed. If, by January 2 of the following year, such notice is still not received by NCIS, the Adjuster Non-renewal Report will be issued to the AIP

notifying them of the adjusters from their company who will not be renewed. In addition, NCIS will notify the adjuster that his/her CAPP ID card will be revoked.

Adjusters who do not stay current with the SRA training requirements will forfeit their CAPP Accreditation status. Adjusters who wish to receive the CAPP Accreditation once it has been revoked must retake all three CAPP exams after he/she once again satisfies the SRA requirements.

## Obtain Your CAPP Accreditation

If you are a MPCIC crop loss adjuster who has not met the SRA training requirements for loss adjusters, contact your company to see what you can do to meet those requirements. If you have already met the SRA requirements, all you need to do to begin earning your CAPP Accreditation is to obtain the company access code from your Company CAPP administrator. Talk to your supervisor if you are uncertain how to contact your company CAPP administrator.

Once you have your company access code, you only have five steps to achieve your CAPP designation:

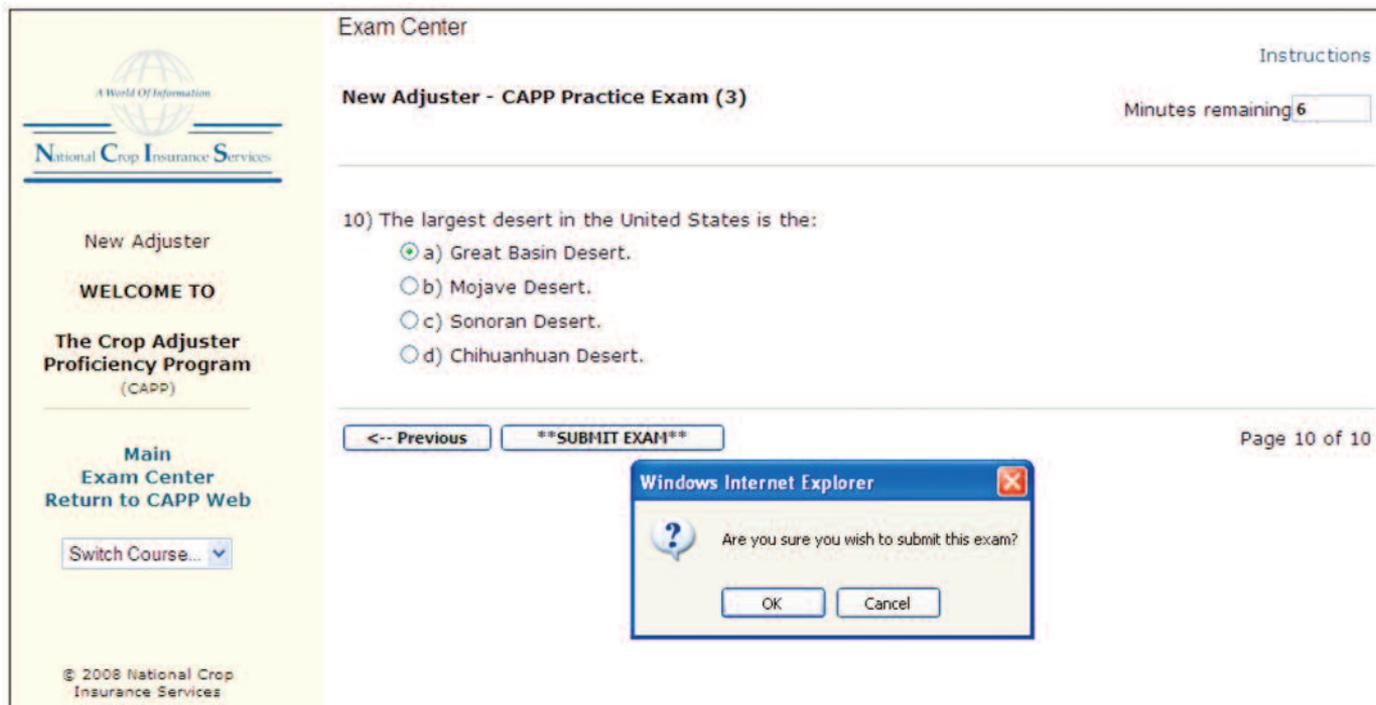


Image 10. Exam questions are posed one page, and the completed exam must be submitted.