

## **Crop Insurance Approved Insurance Provider Review/Compliance Requirements**

The following review requirements are specifically listed in SRA Appendix IV (these must be done each reinsurance year (RY)). The italicized notes behind the review bullet points are short summaries of the overall review requirements:

- Training and Performance Evaluation Plan *[This includes minimum training hours and content that must happen annually for all agents and adjusters; licenses must be in place for agents and adjusters; curriculum must be developed to standard; corrective actions must be taken and documented for deficiencies; performance evaluations must be maintained; annual Training and Performance Evaluation Reports must be submitted; etc.]*
- Data Mining Reviews *[inspect all insurance contracts for which anomalies are identified by FCIC; will not exceed three percent of eligible policies for the RY]*
- Individual Policy Reviews *[inspections/monitoring programs of eligible policies, entities, agents, adjusters, or affiliates identified by FCIC]*
- Operational Reviews, which include:
  - Conflict of Interest Reviews *[mandatory any time the individual making a conflict disclosure has a share in the crop insured on the conflicting policy or has a relative with a SBI in any insurance policy with the company]*
  - Consecutive Loss Adjuster Reviews *[minimum of 15 percent of policies on which same adjuster signed a claim in three consecutive years, and 15 percent of any additional policies identified by FCIC on which the same adjuster has signed a claim in three consecutive years between multiple AIPs]*
  - \$200,000 Indemnity Reviews *[inspections on all policies with an indemnity of \$200,000 or more; the instruction is split out into prevented planting losses and all other losses]*
- Rainfall Index Reviews and Vegetation Index Reviews *[perform acreage or colony reviews no later than 120 days after the acreage or colony reporting date OR after an acreage adjustment is completed during the crop year]*
- APH Verification *[required on all policies reviewed under Appendix IV for which APH forms the basis for all or part of the guarantee]*

Appendix III specifically requires:

- Verification of all tax identification numbers for policyholders to verify accuracy in reporting and eligibility for crop insurance and payment (Appendix III requires).

Other requirements for inspections, reviews, sampling, standards, etc., found in the policies and special provisions; Crop Insurance Handbook (CIH); Loss Adjustment Manual (LAM) and Loss Adjustment Standards Handbooks (LASH)(by crop); Document and Supplemental Standards Handbook (DSSH); Written Agreement Handbook (WAH); Ineligible Tracking

Standards handbook (ITS); crop- or plan-specific underwriting guides and underwriting rules; and any bulletins or informational memoranda issued during a given crop year must be added to the overarching requirements in the SRA as they are all rolled up into the contractual agreement between the AIP and the FCIC/RMA.

The above does not include review, compliance, audit, and corrective action requirements that come from: third-party reviews (such as company-hired audit firms); the company's parent company (such as QBE for NAU or Wells Fargo for RCIS); state insurance departments; the Center for Agribusiness Excellence (CAE), unless the CAE report resulted in RMA providing it as part of the required quality control reviews in the SRA; or OIG, GAO, FSA, and other governmental agencies.