

## **COM-20-008**

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Date

December 8, 2020

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Heather Manzano, Deputy Administrator for Compliance /s/ Heather Manzano

Subject

Conflict of Interest Reviews

### **Background**

Appendix IV, section III(b)(3)(A) of the Standard Reinsurance Agreement (SRA) and the Livestock Price Reinsurance Agreement (LPRA) requires Approved Insurance Providers (AIPs) to conduct Conflict of Interest (COI) reviews. In accordance with the Guidance for Updating the SRA Appendix IV Review Matrix, AIPs are to conduct COI reviews on ECICs provided by FCIC on the COI report in AIP HyDRA. Livestock price insurance contracts will be included in the Fall 2020 COI list, but will be removed from the Spring 2021 COI list.

Rainfall Index (RI) plans of insurance are not included in the COI report provided to the AIPs.

### **Action**

AIPs shall conduct RI COI reviews in accordance with the SRA Appendix IV, section III(b)(3)(D).

AIPs shall conduct livestock price insurance contract COI reviews in accordance with LPRA Appendix IV, section III(b)(3)(A) beginning with reinsurance year 2021 insurance intervals of March.

A review will not be required if all conflicts identified for a policy no longer exist in the current crop year. However, the AIP must submit a Quality Control Review (P57) record indicating that the conflict no longer exists. If a review is conducted, the AIP shall submit the appropriate P57 and Quality Control Review Correction (P57A) records.

Due to the number of prevented planting claims in reinsurance year 2020, the COI list will be released two weeks earlier than the typical release date. The Fall COI list is available on AIP HyDRA.

The COI list is confidential and shall not be shared with crop insurance agents.

**DISPOSAL DATE:**

Effective until superseded or rescinded.