

United States
Department of
Agriculture



Federal Crop
Insurance
Corporation



Risk Management
Agency



Insurance
Services

Program Performance Assessment (PPA) Standards Handbook

FCIC-Approved Standards and
Procedures for Handling
Program Performance
Assessment for Insurance
Services, Regional Offices, and
AIPs for the 2021 and
Succeeding Crop Years.

FCIC-14080
(07-2020)

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**UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250**

| | |
|---|---|
| TITLE: PROGRAM PERFORMANCE ASSESSMENT HANDBOOK | NUMBER: RMA-14080 |
| EFFECTIVE DATE: Upon approval for the 2021 and Succeeding Crop Years | ISSUE DATE: July 21, 2020 |
| SUBJECT: Provides the standards, criteria, and instructions to the Risk Management Agency Regional Offices and Approved Insurance Providers for handling the Program Performance Assessment Process. | OPI: Risk Management Services Division |
| | APPROVED: <i>/s/ Delores Dean</i> Deputy Administrator for Insurance Services |

REASON FOR ISSUANCE

This handbook provides FCIC-approved standards and procedures for the program performance assessment process. Insurance Services and all Regional Offices will use these standards and procedures during program reviews and when making intra-agency referrals. AIPs will use this handbook when administering their duties in the program performance assessment process.

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PART 1 GENERAL INFORMATION AND RESPONSIBILITIES

1 General Information

A. Purpose

This handbook identifies RMA's official standards and procedures for participation in the PPA, including:

- (1) training;
- (2) selection plan criteria;
- (3) AIP notification of PPAs;
- (4) completion of PPA reviews; and
- (5) referrals of identified program vulnerabilities and suspected cases of fraud, waste, and abuse.

This handbook remains in effect until superseded by reissuance of either the entire handbook or selected portions (through amendments, Manager's Bulletins, or FADs). If amendments are issued for a handbook, the original handbook as amended shall constitute the handbook. A Manager's Bulletin or FAD can supersede either the original handbook or subsequent amendments.

B. Mission and Goals

| | |
|------|--|
| USDA | Provide leadership on agriculture, food, natural resources, rural infrastructure, nutrition, and related issues through fact-based, data-driven, and customer-focused decisions. |
| RMA | RMA is committed to increasing the availability and effectiveness of Federal crop insurance as a risk management tool. |
| PPA | Provide a fact-based assessment program to ensure that policy language, AIP performance, loss adjustment activities, and general policy and procedure implementation is adaptive, effective, and actuarially sound and that RMA is being a good steward of taxpayer dollars. |

1 General Information (Continued)

C. Process Goals and Key Performance Indicators

| | |
|---|---|
| 1. Provide leadership on agriculture, food, natural resources, rural infrastructure, nutrition, and related issues through fact-based, data-driven, and customer-focused decisions. | |
| What makes policies and programs Fact-based ? | Stress-tested decisions that are based upon verified information. |
| Data-driven ? | Language, pricing, policy details, etc., that are informed by accurately and consistently recorded data. |
| Customer-focused ? | Ensure that programs and policies are designed to meet specific customer needs. |
| 2. RMA is committed to increasing the availability and effectiveness of Federal crop insurance as a risk management tool. | |
| What makes Federal crop insurance more available ? | Understanding and responding to customer participation to provide targeted crop insurance offerings where most appropriate. |
| What makes Federal crop insurance more effective ? | Ensuring the program is: <ul style="list-style-type: none"> • Accurate - Policy and procedures are working as intended • Consistent - Policy and procedures are interpreted and applied in a similar manner for similar situations • Current - Policy/procedures are reviewed regularly to address the current challenges • Clear - Policy and procedure allow for an accurate determination to individual circumstances. • Fair – Policy and procedure are applied in a manner that conforms with the established rules |
| 3. Provide a fact-based assessment program to ensure that policy language, AIP performance, loss adjustment activities, and general policy implementation is adaptive, effective, actuarially sound, and that RMA is being a good steward of taxpayer dollars. | |
| How can the effectiveness of the items above be increased? | <ul style="list-style-type: none"> • Take a holistic look at the overall health of policies and options being offered. • Ensure that data is gathered and disseminated consistently, completely, accurately, and clearly • Follow up on changes and recommendations |
| How can the adaptivity of the items above be increased? | <ul style="list-style-type: none"> • Share knowledge with relevant stakeholders • Ensure that scheduled touchpoints are taking place and that all outputs are produced • Assess selection plans and final reports for trends that warrant adaptations to the items above |

1 General Information (Continued)

C. Process Goals and Key Performance Indicators (continued)

| 4. Key Performance Indicators - RMA will utilize the following measurements to help evaluate the performance of our crop insurance policies and procedures: | |
|--|---|
| Underwriting Error Rate | <ul style="list-style-type: none">Measures the trend of the annual overall underwriting error rates by crop, location, and procedural references |
| Percentage of crops reviewed | <ul style="list-style-type: none">Measures the spread of RMA's underwriting reviews on a three-year basis that follows the crop review cycle |
| Liability Footprint | <ul style="list-style-type: none">Measures the total liability of all underwriting reviews completed on an annual basis |
| Crop policy recommended and implemented changes | <ul style="list-style-type: none">Measures recommended and implemented changes. Impacts from changes are evaluated three years after implementation |
| Program and procedural recommended and implemented changes | <ul style="list-style-type: none">Measures recommended and implemented changes. Impacts from changes are evaluated three years after implementation |

2 Source of Authority

Federal programs enacted by Congress and the regulations and policies developed by RMA, USDA, and other Federal agencies provide the authority for program and administrative operations, and basis for RMA directives. Administration of the federal crop insurance program is authorized by the following:

- (1) The Federal Crop Insurance Act, 7 U.S.C. 1501;
- (2) The Food Security Act of 1985, 16 U.S.C. 3801 et seq.;
- (3) Controlled Substance Act of 1970, 21 U.S.C. 801 et seq.;
- (4) Personal Responsibility and Work Opportunity Reconciliation Act of 1996, 42 U.S.C. 653a;
- (5) 7 CFR part 400;
- (6) 2021 (07-01-16) SRA Appendix IV Section III(b);
- (7) 2021 LPRA (07-01-16) Appendix IV Section III(b); and
- (8) FCIC Policy Provisions:
 - (a) Common Crop Insurance Policy BP (21-BR), Sections 20 and 21;
 - (b) ARPI BP (20-ARPI), Section 23;
 - (c) FCIC WFRP Pilot Insurance Policy (20-0076), Section 33;
 - (d) LRP Insurance Policy (20-LRP-Basic), Section 11;
 - (e) Rainfall and Vegetation Index Plan Common Policy (18-RIVI); and
 - (f) Other CP as applicable.

3 Order of Precedence

If there is a conflict between the procedure in this handbook and other documents issued by RMA, the following order of precedence will apply (in descending order):

- (1) the Federal Crop Insurance Act, as amended (7 U.S.C. 1501 et seq.), and any FAD interpreting the Act;
- (2) the CAT Endorsement, as applicable, and any FAD interpreting the CAT Endorsement;
- (3) written agreement, as applicable;
- (4) the SP and other actuarial documents;
- (5) the Commodity Exchange Price Provisions, as applicable;
- (6) crop endorsement/options/exclusions and any FAD interpreting the crop endorsement/options/ exclusions if published in 7 C.F.R part 457;
- (7) CP and any FAD interpreting the CP;
- (8) BP and any FAD interpreting the BP;
- (9) administrative regulations at 7 CFR Part 400; any FAD interpreting the administrative regulations; or any FCIC interpretation at 7 C.F.R. § 400, Subpart X - Interpretations of Statutory Provisions, Policy Provisions, and Procedures;
- (10) manager's bulletins and PM informational memorandums;
- (11) CIH (FCIC-18010), and other applicable underwriting guides for a specific commodity or plan of insurance, and any interpretation of these procedures;
- (12) GSH (FCIC-18190), and any interpretation of these procedures;
- (13) Prevented Planting LASH (FCIC-25370), and any interpretation of these procedures;
- (14) crop LASH, and any interpretation of these procedures;
- (15) LAM Standards Handbook (FCIC-25010), and any interpretation of these procedures;
- (16) PPA Handbook (FCIC-14-080); and
- (17) compliance and IS informational memorandums.

A. AIP Responsibilities

- (1) The AIP will:
 - (a) when notified by the RO of participation in a PPA review, designate a point of contact for coordination of the review; and
 - (b) submit required documentation into ROE within 15 business days after notification of RO selection in accordance with Part 4.
- (2) If the RO elects to participate in an underwriting review, the AIP will conduct all the underwriting related activities in accordance with Part 4 Section 31.
- (3) If the RO elects to participate in a crop or program assessment, the AIP will work with the RO in accordance with Part 4 Section 32 and 33.

B. RO Responsibilities

- (1) The RO will:
 - (a) establish PPA Regional Selection Plan in accordance with standards and procedures in Part 3 - PPA Selection Plan;
 - (b) select from a pool of potential policies for PPA reviews from the AIP in accordance with procedures in Part 4 – RO Responsibilities and elect one of the following:
 - (i) participate in the underwriting, crop policy, or program assessment with the AIP in the time period allotted for review; or
 - (ii) decline participation in review of the policy.
 - (c) policies that have not been selected for review must be closed and documented in ROE as RMA did not participate no later than August 15 of the review year.
- (2) If the RO elects to participate in the PPA underwriting review, the RO will:
 - (a) select “participate” on the notice in the PPA Database in ROE. An email will be generated to notify the AIP’s point of contact of the RO’s election to participate in the review of the policy;
 - (b) review the underwriting, policy performance, and program performance as applicable within Part 4;

B. RO Responsibilities (continued)

- (c) identify opportunities to improve the Federal crop insurance program performance including but not limited to the following areas:
 - (i) areas of potential improvement in policy and procedure;
 - (ii) training opportunities and needs;
 - (iii) instances of potential or suspected program fraud, waste, and abuse; and
 - (iv) policy, procedure, and general program performance
- (d) refer program fraud, waste, and abuse to the appropriate office as identified in Part 5.

C. RMSD Responsibilities

RMSD will:

- (1) provide support, leadership, training, assistance, and monitoring to the ROs;
 - (a) Develop and maintain policy and handbook procedures for PPA reviews.
 - (b) Develop training standards and procedures as set forth in Part 2 – Training Requirements.
 - (c) Assist the RO in preparing and conducting arbitration, mediation, or NAD appeals.
 - (d) Establish the National Selection Plan in coordination with the ROs, Compliance, RSD, and PM with appropriate target PPA deadlines.
 - (e) Complete the AIP Scorecard Summary and National Report annually.
- (2) provide a written process for referrals as set forth in Part 5 - Procedures for Written Referrals;
 - (a) Follow-up on and document outcome of referrals.
 - (b) Advance and coordinate recommended corrections for vulnerabilities identified in the Federal Crop Insurance program.
- (3) perform and coordinate administrative reviews when discrepancies occur between the AIP and an RO regarding errors identified in accordance with Part 7 - Administrative Reviews; and

4 Responsibilities (Continued)

C. RMSD Responsibilities (continued)

- (4) create and load the selection pool for underwriting reviews, growing season observations and other related activities for ROs to choose from. The pool should be:
 - (a) based on criteria established in the finalized National/Regional Plan; and
 - (b) screened against Compliance selection priorities to the extent possible to remove redundant reviews such as:
 - (i) IPERIA;
 - (ii) AIP/FSA spot check list; or
 - (iii) under investigation from Compliance/SIS.

5-10 (Reserved)

PART 2 TRAINING

11 Program Performance Certification

A. PPA Certification

All RMA employees completing PPA reviews will adhere to industry training standards consistent with the requirements of AIP and agent training, as outlined in the SRA, Appendix IV, Section II – Training of Agents, Loss Adjusters, and Other Personnel.

- (1) All RMA employees completing PPA reviews must initially participate in a structured training program of at least 60 hours, including 24 hours of classroom training.
- (2) All RMA employees working with PPA reviews must pass an initial basic competency test developed by RMSD to determine the proficiency of the RMA employee to accurately and correctly apply policy and procedures, including, but not limited to determining the amount of loss and verifying applicable information.
- (3) RO Directors will:
 - (a) verify RMA employees (specialists and senior specialists) completing PPA reviews have completed required training;
 - (b) ensure follow-up training initiatives are provided and completed for any area of identified weakness of the RMA employee completing PPA reviews; and
 - (c) ensure training and certification is documented in the ROE.

B. PPA Annual Refresher Training

The RMSD will work with ROs to provide an annual update refresher training which may include a short survey or exam to address current or emerging topics. The training will consist of at least 16 hours of structured training, including at least 8 hours of classroom training. This training can be provided by RMA or may include supplemental external training that will assist the specialist in completing PPA reviews.

C. Training Curriculum Details

Training curriculum must include, at a minimum, sufficient information to make RMA employees familiar with:

- (1) the meaning of the terms and conditions of the Common Crop Insurance Policy BP and its association or application to CP and SP;

11 Program Performance Certification (Continued)

C. Training Curriculum Details (continued)

- (2) other programs and plans of insurance such as, but not limited to:
 - (a) area risk plans of insurance;
 - (b) revenue plans of insurance;
 - (c) pilot programs; and
 - (d) applicable endorsements and options and any changes thereto;
- (3) the differences between the applicable plans of insurance and their respective endorsements and options;
- (4) the actuarial documents published in the AIB;
- (5) applicable forms, documents, notices, and reports:
 - (a) ensuring proper completion and submission process; and
 - (b) verifying the accuracy of information;
- (6) recognizing anomalies in reported information and common indicators of misrepresentation, fraud, waste, and abuse;
- (7) the appropriate actions to take when anomalies or evidence of misrepresentation, fraud, waste, and abuse exist, and how to report such to RMA;
- (8) the procedural requirements applicable to adjustment of claims for RMA, and any changes thereto;
- (9) how information can be reviewed, verified, and corrected if applicable using various systems, analytics and tools;
- (10) proper determination of the amount of production or revenue to be used for the purposes of determining the guarantee, liability, premium, and other terms of insurance;
- (11) the requirements under applicable Federal civil rights statutes; and
- (12) other requirements as determined by RMA.

12-20 (Reserved)

PART 3 RMA SELECTION PROCESS

21 Selection Pool Criteria

A. Identifying Regional Selection Priorities

- (1) Each RO will begin data mining activities in July of the reinsurance year for the PPA reviews being conducted. RO data mining will help identify potential crop policies and procedural areas to base PPA review selections.
- (2) PPA areas of consideration should include, but not be limited to:
 - (a) prior year or ongoing natural disasters, such as:
 - (i) hurricane;
 - (ii) drought;
 - (iii) flood; and
 - (iv) USDA or FEMA Declaration.
 - (b) new programs, such as:
 - (i) 508(h);
 - (ii) pilot programs;
 - (iii) farm bill studies;
 - (iv) new cropping practice(s)/type(s);
 - (v) program expansion crops; and
 - (vi) other.
 - (c) crop policies that are scheduled for regulatory updates;
 - (d) crop policies or related procedures that have recently changed;
 - (e) crop policy concerns identified during the prior crop program review;
 - (f) crops that have not been reviewed as part of a PPA review in the most recent 6 years (2 rate review cycles);
 - (g) crops scheduled for the next rate review cycle;
 - (h) specialty crops;
 - (i) unreviewed Practices/Types;
 - (j) crops with poor participation rates;

A. Identifying Regional Selection Priorities (continued)

- (k) other areas for potential program improvements, such as:
 - (i) planting dates;
 - (ii) practices/types not currently insured;
 - (iii) gaps in coverage (prices, yields, etc.); and
 - (iv) options and endorsements.
- (l) program integrity concerns which are not under review by RMA Compliance; and
- (m) management priorities.

B. Datamining Tools and Resources

ROs may consider the following resources to further assist in identifying the highest priorities:

- (1) natural disasters, if applicable, such as:
 - (a) FEMA (<https://www.disasterassistance.gov/>);
 - (b) USDA (<https://www.fsa.usda.gov/programs-and-services/disaster-assistance-program/disaster-designation-information/index>);
 - (c) FSA storm reports;
 - (d) Drought Monitor (<https://droughtmonitor.unl.edu/>); and
 - (e) news and/or other resources.
- (2) new programs or procedures, such as:
 - (a) FCIC Board of Directors actions;
 - (b) PM regulatory priorities;
 - (c) RO expansion;
 - (d) farm bill(s); and
 - (e) federal appropriations.
- (3) crop policies that are or could be slated for regulatory updates, such as:
 - (a) PM regulatory log;
 - (b) PM priorities; and
 - (c) policies.

B. Datamining Tools and Resources (continued)

- (4) crop policies or related procedures that have recently changed, such as:
 - (a) policy changes (RMA website);
 - (b) updated handbooks; and
 - (c) updated LAM/LASH.

- (5) crop policies that had concerns identified during the prior crop program review, such as:
 - (a) RO prior crop program review; and
 - (b) previous compliance reviews that need IS follow-up.

- (6) crops that have not been reviewed as part of PPA process in the prior 6 years (2 rate review cycles). Utilize previous PPA statistics, focus, plans, etc.;

- (7) crops that are coming up for the next rate review cycle (PM & IS rate review cycle);

- (8) specialty crops, such as:
 - (a) PM Specialty Crops Coordinator and RO Liaisons input; and
 - (b) farm bill initiatives.

- (9) unreviewed Practices/Types. Utilize previous PPA statistics, focus, and plans;

- (10) crops with poor participation rates (including low levels of coverage purchased, acres in the county not being insured, etc.), such as:
 - (a) RMA Summary of Business reports;
 - (b) NASS producer information; and
 - (c) HyDRA/CIMS FSA producer information.

- (11) other areas for potential program improvements, such as:
 - (a) crop planting dates;
 - (b) NAP coverage/RMA coverage;
 - (c) NASS reports, types, practices; and
 - (d) crop program reviews and actuarial reviews: Are prices, yields, SP statements, etc., acceptable in matching the coverage desired?

A. Regional Selection Plan

- (1) Based on datamining results completed by the RO in Section 21, the RO will complete a draft regional selection plan which identifies and explains the top priorities as required in (3)(a) below for the RO to review.
- (2) Prior to submitting the plans to RMSD, ROs may consult with the RCO to identify other potential considerations or areas that are under investigation.
- (3) The regional selection plan should, at a minimum, include the following:
 - (a) scope;
 - (i) Top five crop policies (types, practices, etc., if applicable) the RO would like to prioritize for the upcoming PPA assessment.
 - (ii) RMA policy or procedural concerns/focus for the region.
 - (iii) Specialty crop/program participation considerations.
 - (iv) States/Counties for consideration.
 - (b) background – explain why these selections were made;
 - (c) objectives – what is the goal of the review for each selection; and
 - (d) proposed methodology – sample size, questions to resolve, etc.
- (4) The RO will submit the draft regional selection plan to RMSD no later than October 31st.

B. National Selection Plan

- (1) Beginning November 1, RMSD shall review Regional Selection Plans and in consultation with RSD, Compliance Office, and PM select specific criteria/targets to finalize the national selection plan.
- (2) The draft national selection plan, with input from other offices, will define the national priorities, which will include the following:
 - (a) scope;
 - (i) Priority crop policies (types, practices, etc., if applicable) to prioritize for the upcoming PPA assessment.
 - (ii) RMA program or procedural concerns/focus.
 - (iii) Specialty crop/program participation considerations.

22 Selection Plans (Continued)

B. National Selection Plan (continued)

- (b) background – explain why these selections were made;
 - (c) objectives – what is the goal of the review for each selection; and
 - (d) proposed methodology – sample size, questions to resolve, etc.
- (3) The Regional Selection Plan will be incorporated and finalized with the completion of the National Selection Plan.
 - (4) Prior to finalizing the National Selection Plan, RMSD will consult with the ROs to address any changes, concerns or other considerations regarding the Regional Selection Plans.
 - (5) The National Selection Plan will be finalized no later than November 30. The finalized National Selection Plan will be a consolidated document used to communicate RO and RMSD PPA priorities to all RMA offices (IS, CO, PM). For the 2021 reinsurance year, these goals will include:
 - (a) a minimum one underwriting review per RO specialist;
 - (b) one Regional Crop Assessment;
 - (c) one National Crop Assessment; and
 - (d) one Program Assessment.

23 Policy Selection, AIP Notification

A. Underwriting Reviews

- (1) RMSD will create a pool of approximately 500-1000 policies total for ROs to select from (about 50-100 per RO). ROs will complete underwriting reviews with focus of identifying inconsistencies in procedure and helping to ensure that the producer's guarantee is correct. For the 2021 reinsurance year, the underwriting process pool will consist of policies which had claims that had a required \$200,000 SRA review completed by the AIP the previous year to ensure records are more readily available.
- (2) The AIPs will be notified of the policies in the selection pool for potential PPA underwriting review via flat file through ROE, as well as loaded into ROE by RMSD by no later than April 15.
- (3) The RO will notify the AIP, through ROE, of policies the RO has selected for participation by no later than May 15 and will request the complete underwriting file. The AIP is not required to upload the file for policies in the selection pool that have not been selected for participation.

B. Crop/Program Assessment

- (1) To complete the crop and program assessments in accordance with the Selection Plan, ROs may work with AIPs on specific policies to monitor crop conditions, address concerns, identify policy or procedural inadequacies, etc. In these instances, the ROs will work with RMSD to notify AIPs of an upcoming assessment during the growing season which will specifically define the crop, counties, the areas of concern, and/or the policies to review.
- (2) Once a policy has been identified for a crop or program assessment, AIPs will submit a notification to ROE which will enable the RO to participate and monitor any underwriting, loss adjustment or growing season inspection activities, as applicable.
- (3) RMA may also want to participate in the review of procedures used during natural disasters. ROs will also work through RMSD to notify AIPs of these instances similar to (1) above.

24-30 (Reserved)

PART 4 PPA PARTICIPATION

31 Underwriting Reviews

A. Underwriting Review Process

- (1) RMSD will create a selection pool of policies for ROs to complete underwriting reviews. ROs will complete a minimum of one underwriting review per specialist per reinsurance year from the pool of policies selected.
- (2) RMSD will load the pool of policies into ROE and notify AIPs of the policy pool by no later than April 15th.
- (3) The RO will notify the AIP, through ROE, of the selected policies and will request the complete underwriting file. The AIP is not required to upload the file for policies in the selection pool that have not been selected for participation. For the 2021 RY, ROs will make policy review selections by no later than May 15.
- (4) AIPs will provide the complete file and upload to ROE within 30 calendar days from the crop policy's applicable ARD, unless extended in writing.
- (5) After the AIP submits the complete file to ROE, ROs will conduct a thorough review of the documentation. Results will be documented on the PPA Underwriting Scorecard and included on the final Regional Report, (see Part 6).
- (6) The underwriting scorecard will be in a pilot status in the 2021 reinsurance year, so that ROs and AIPs can refine and make improvements to communication and overall program performance amongst all stakeholders.
- (7) If evidence of fraud is found during the review, ROs will submit a referral through RMSD in accordance with Part 5.

B. Underwriting Review Participation

- (1) The RO must issue a memo, hold a teleconference or in-person meeting with the AIP, unless waived by the AIP. The RO will:
 - (a) review the PPA Underwriting Review process with the AIP underwriter or representative and provide a list of all the documentation that the RO will need to complete the review;
 - (b) explain that the RO representative will fully review all of the policy and underwriting information to ensure the guarantee is properly set up for the current year and will notify the AIP if they identify any corrections that are needed;
 - (c) explain that this review will only cover policy and underwriting information and that the AIP should not have any delays in working with the producer;

B. Underwriting Review Participation (continued)

- (d) review the file to identify vulnerabilities, errors, and inconsistencies that impact the associated liability, premium, guarantee, terms and conditions of the policy; and
 - (e) contact the AIP regarding any clarifications about documents provided in the file.
- (2) The RO will request the entire underwriting file (see Exhibit 4D for a list of applicable documents) from the AIP be uploaded to ROE, and review the following items in (3) below, as applicable.
- (3) For APH and ARH policies, the RO will review the following to help complete the checklist when applicable (See Exhibit 4A for the checklist and question crosswalk):
- (a) application and insurance choices;
 - (i) Was the application signed by an authorized person?
 - (ii) Was the application signed timely?
 - (iii) If applicable, was the transfer of a policy to another AIP completed correctly and timely?
 - (iv) If applicable, was the transfer of coverage completed correctly?
 - (v) Have the Person(s) / Entities been recorded correctly and documented properly?
 - (vi) Does the signature on the application match the signature type?
 - (vii) Have all SBI's been recorded on the application correctly?
 - (viii) Have all tax ID numbers been recorded correctly on the application or corrected timely?
 - (ix) If other errors were corrected, were they corrected in accordance with Section 25 of the BP?
 - (x) Does the county/crop combination being reviewed appear on the application?

B. Underwriting Review Participation (continued)

- (b) insurance choices;
 - (i) Do the insurance elections on the application match the Schedule of Insurance? Are they allowed?
 - (ii) Did the producer qualify for the options and endorsements and were they administered correctly?
 - (iii) If New Producer is elected, are requirements met and implemented correctly?
 - (iv) If Beginning Farmer and Rancher is elected, are requirements met and implemented correctly?
 - (v) If Veteran Farmer and Rancher is elected, are requirements met and implemented correctly?
 - (vi) If the producer had other contract elections, are requirements met and implemented correctly?
- (c) acreage reports/approved schedule of insurance/inspections;
 - (i) Does the acreage report include a valid and timely dated signature?
 - (ii) Is the acreage report signed by an authorized person or did the AIP follow procedures for unsigned acreage reports?
 - (iii) Were all acres reported accurately and within allowed tolerances?
 - (iv) Were the conditions allowing a revised acreage report met?
 - (v) Were the terms of the WA applied correctly?
 - (vi) Were the terms of the DY applied correctly?
 - (vii) Does the P/T certified match the P/T planted?
 - (viii) Is the certified P/T insurable per the actuarial documents or WA?
 - (ix) Were conditions that establish insurability (rotation, age, plant population, or production) met?
 - (x) Were land classifications correct?
 - (xi) Were guarantee reductions based on planting dates assessed as required?

B. Underwriting Review Participation (continued)

- (xii) Was the share for each unit reported correctly?
- (xiii) Does the unit structure selected meet the unit structure requirements?
- (xiv) Were the criteria for New Breaking with or without a Written Agreement met and applied correctly?
- (xv) Was the producer in compliance with the conservation compliance provisions by the required date?
- (d) production reporting and actual production history; and
 - (i) Are the production records used to support the production certification acceptable?
 - (ii) Do the production records submitted support the unit structure?
 - (iii) Does the Production Report include a valid and timely dated signature?
 - (iv) Do APH databases contain the correct yields (actual, assigned, non-actual, etc.)?
 - (v) Did the approved APH(s) or the Rate Yield stay the same?
- (e) policies with a mandatory APH review.
 - (i) The RO will review production records for any mandatory APH review completed by the AIP for the selected policy as required by the SRA or FCIC issued procedure. (CIH Part 15 Section 7)
 - (A) For example, if the AIP file contains only one year of APH records, because no error was found, then the RO will review only this information.
 - (B) If an error is identified as part of this PPA review, the RO will inform the AIP so that they may make the necessary corrections, however, no further follow-up is required by the RO.
 - (C) Alternatively, if an AIP review found errors on a policy, and conducted a review of the prior three years, the RO should also review these records.

B. Underwriting Review Participation (continued)

- (ii) To complete the PPA review, the RO must verify whether or not the guarantee and indemnity were properly calculated based on substantiating records for APH certification. The RO must verify the information on the documents is correct via third party records to the extent practical.
 - (iii) The RO and AIP will use the policy and procedure from the applicable handbooks as listed in Part 1 Section 4.
- (4) The RO will notify the AIP of any minimum required information that is missing or has not been provided with the initial request. If after the second request for information there is still information missing from the documentation and the information has not been provided within 15 business days, the RO will mark the file as incomplete.

C. Underwriting Review Documentation and Completion

This section provides guidance for the RO's completion of the underwriting review scorecard and documentation requirements.

- (1) Once ROs receive all the required information from the AIP, the RO will work to complete the UW Review scorecard as provided in Exhibit 4A.
- (2) Prior to completing the scorecard, ROs will discuss any vulnerabilities, errors, or missing information that was found during the review with the applicable AIP contact.
 - (a) This will allow the RO and AIP to identify if there is a difference on how procedure was interpreted and applied prior to completing the scorecard.
 - (b) While this should be an informal process, ROs must provide specific policy and procedural support for the vulnerability and errors.
 - (c) If policy and procedure are unclear or ambiguous for the situation the ROs should mark this as a vulnerability and not an error, the ROs will summarize the situation, provide recommendations for remedy (see (6) and 31D for suggestions), and share with RMSD and the other applicable divisions.
 - (d) After the discussion, the RO will complete the scorecard and mark any errors or vulnerabilities identified, as applicable.
- (3) Any vulnerabilities or errors identified during the PPA underwriting review will be documented on the scorecard and shared with the AIP when the review is complete.
 - (a) ROs must provide specific policy and procedural support in writing for the vulnerability and errors.

C. Underwriting Review Documentation and Completion (continued)

- (b) If the AIP still disagrees with the reported error, this may be appealed through the AIP's National Underwriting Representative and RMSD in accordance with Part 7 Administrative Reviews.
- (c) Any vulnerabilities identified will be shared with other RMA divisions as applicable.
- (4) If ROs identify instances of fraud, the RO will notify RMSD of the concerns. RMSD will review the circumstances with the RO and other applicable parties to determine if PM, Compliance, or RSD should be involved in accordance with Part 5.
- (5) If ROs are identifying multiple instances of common vulnerabilities or errors in policy or procedure, the RO will notify RMSD of the concerns and RMSD will work with the RO to determine if PM, Compliance, or RSD should become directly involved in the reviews.
 - (a) ROs should work to isolate the primary cause of the error. Some things to consider based on the underwriting reviews:
 - (i) Are multiple AIPs making the same error?
 - (ii) Is this vulnerability or error isolated to a particular location (region, state, county) or is it widespread (multiple states, nationwide)?
 - (iii) Is this a vulnerability or error isolated to a particular crop policy or is it widespread?
 - (b) Based on the results, ROs should further evaluate the general impacts to the following, as applicable:
 - (i) liability;
 - (ii) indemnity;
 - (iii) premium; and
 - (iv) error frequency.
 - (c) ROs should also identify the policy and procedural reference in question.
- (6) Copies of the scorecard results will be provided to other RMA divisions as applicable.

Crop Assessments are a review of the overall performance of a specific crop or policy for example: corn, wheat, pumpkins, or avocado policies. This evaluation includes, but is not limited to, addressing program participation and policy elections, opportunities and concerns with the current program, and grower and AIP satisfaction with the current policy. Driving questions of this review should include questions such as:

- (1) How are AIPs interpreting policy and procedure?
- (2) Is the policy and procedure working as intended?
- (3) Are we (RMA) addressing the risk associated with growing the crop?
- (4) Do our guarantees offered match what is being insured?

A. Crop Assessment Review Process

- (1) RO's will complete Crop Assessments based on the finalized PPA selection plan and associated checklist items. ROs **may** also complete a crop assessment based on natural disaster events or other vulnerabilities identified in the region after consultation with RMSD.
- (2) If the RO needs to review individual policies as part of their crop review, such as a growing season observation, the RO, through RMSD, will notify the AIP of selected crop(s) and locations for review.
- (3) For the 2021 RY, RMA will notify the AIP of any policies selected for a growing season observation by no later than May 15.
- (4) The assessment process may include all activities associated with policies including file review, policy review, field work, etc., as applicable in the current reinsurance year.
- (5) If individual policies have been selected as part of a crop assessment, the applicable AIP will provide information, such as the schedule of insurance or acreage report requested by the RO, if available.
- (6) AIPs will work with ROs based on the selected policies / criteria and notify the RO of any/all applicable activities throughout the growing season.
- (7) Once the complete file is submitted, ROs will conduct a thorough review of documentation submitted.
- (8) Results of field and file review activities of the crop assessment will be documented on the PPA Crop Assessment Scorecard in Exhibit 4B and included on the final Regional Report, Part 6.

B. Crop Assessment Review Participation

- (1) The RO may complete the following activities to help complete the scorecard and address the criteria identified in the selection plan for each review. Some examples of the activities would include, but are not limited to, the following:
 - (a) policy review;
 - (b) procedure review;
 - (c) field visits;
 - (d) growing season observations;
 - (e) participation analysis of the crop/practice/type;
 - (f) questions/concerns identified with other agencies (FSA, NRCS, State Dept of Ag);
 - (g) agronomic conditions;
 - (h) weather/PRISM data analysis;
 - (i) planting dates from the crop reviews;
 - (j) market availability;
 - (k) applicable statements;
 - (l) ag expert/university documentation; and
 - (m) prevented planting and planting dates.
- (2) Any opportunities to improve the policy and procedure, improve guarantees, remove coverage gaps, and reduce errors, vulnerabilities, or other concerns identified during the PPA Crop Assessment Review, will be documented on the scorecard in Exhibit 4B and final Regional Report in Part 6.
- (3) When an opportunity to improve the policy has been identified, ROs may want to expand or extend the review to additional policies or activities to help further determine the scope of the issue(s) when an opportunity to improve the policy has been identified.
- (4) If ROs identify instances of fraud, the RO will notify RMSD of the concerns. RMSD will then work with the RO further to determine if Compliance should be directly involved as described in Part 5.

32 Crop Assessment (Continued)

B. Crop Assessment Review Participation (continued)

- (5) If ROs identify common themes of errors in policy or procedure, the RO will notify RMSD of the concerns and RMSD will work with the RO to determine if PM should become directly involved in the reviews.
- (6) If gaps in coverage, uninsured practices/types, pricing discrepancies, yield discrepancies are identified for a crop in an area of review, ROs should consult PM.
- (7) ROs should document results in the Crop and Program Assessment Report and any corrective actions taken, i.e. SP statements added, changed or removed, added/removed type/practices, date changes, etc.

33 Program Assessment

RMA performs program assessments to evaluate the overall performance of a specific policy or procedure that is cross cutting and covers multiple policies, such as prevent plant, unit structure, rotation requirements, or production records. This evaluation includes but is not limited to: addressing options and policy elections; opportunities and concerns with the current program; and identifying inconsistencies and misunderstandings.

A. Program Assessment Review Process

- (1) Program assessments cover cross cutting policy, procedural, and loss adjustment activities that impact multiple policies. Program assessments shall be completed based on the finalized PPA selection plan. ROs **may** also complete a program assessment based on natural disasters or other opportunities or vulnerabilities identified during the reinsurance year in the region.
- (2) If the RO needs to review individual policies as part of their program assessment, the RO, through RMSD, will notify the AIP of selected policies and locations for review. The assessment process may include all activities associated with policies including file review, policy review, claims activities, etc.
- (3) AIPs will provide a complete file, with the information required as specified in the RO program assessment letter.
- (4) Once the complete file is submitted, ROs will conduct a thorough review of documentation submitted. Results will be documented on PPA Program Assessment Scorecard Exhibit 4B and included on final Regional Report, Part 6.
- (5) If evidence of fraud is found during the review, submit referral through RMSD in accordance with Part 5.
- (6) ROs should document any corrective actions taken, (i.e. Special Provision statements added, or removed, added/removed type/practices, date changes, etc.) in the Crop/Program Assessment Report.

B. Program Assessment Review Participation

- (1) Prior to participation in the program assessment, the RO should gather the following information where applicable:
 - (a) policyholder information;
 - (b) APH, if applicable;
 - (c) CAE crop policy summary information for the applicable area and producer information; and
 - (d) if needed, check with local FSA, CES, and/or NRCS to ascertain the extent of the loss event and if there is a likelihood of other potential notices.

- (2) The RO must issue a memo, hold a teleconference, or have in-person with the AIP, unless waived by the AIP. The RO will:
 - (a) participate in a meeting with AIP representative to review the PPA Program Assessment process and provide a list of any documentation that the RO will need to complete their review; and
 - (b) explain that this review will cover just the targeted assessment information only and that the AIP should not have any delays in working with the producer unless notified otherwise.

- (3) The RO will request information from the AIP be uploaded to the ROE, and review the following:
 - (a) information gathered in item (1), where applicable;
 - (b) information provided by the AIP;
 - (c) applicable participation information (participation rates, policy performance, potential gaps in coverage, etc.);
 - (d) unit structure, pre-acceptance inspection, legal description, acreage report, and loss experience, as applicable;
 - (e) insurability of all acreage in the unit(s) involved; and
 - (f) special underwriting actions (e.g., Written Agreements, Determined Yields, Added Land, etc.).

C. Program Assessment Review

- (1) Once ROs receive all of the required information from the AIP, the RO will work to complete the Program Assessment Review scorecard as provided in Exhibit 4B.
- (2) The RO may complete the following activities to help complete the scorecard for each review, some examples of the activities would include:
 - (a) policy review;
 - (b) procedure review;
 - (c) field visit;
 - (d) growing season observations;
 - (e) participation analysis and concerns identified with other agencies (FSA, NRCS, State Dept of AG);
 - (f) agronomic conditions;
 - (g) market availability;
 - (h) weather/PRISM Data Analysis;
 - (i) planting dates from the crop reviews;
 - (j) applicable statements; and
 - (k) ag expert/university documentation.
- (3) Any errors, vulnerabilities, or concerns identified during the PPA Program Assessment Review will be documented on the scorecard and final Program Assessment Report.
- (4) ROs will not need to follow up further but may want to expand activities if they find common or a large amount of errors.
- (5) If ROs identify instances of fraud, the RO will notify RMSD of the concerns. RMSD will work with the RO to determine if Compliance should be involved as described in Part 5.
- (6) If ROs identify instances of common errors in policy or procedure, the RO will notify RMSD of the concerns. RMSD will work with the RO to determine if Production Management should become directly involved in the reviews.

33 Program Assessment (Continued)

C. Program Assessment Review (continued)

- (7) ROs should document in the Crop/Program Assessment Report any corrective actions taken, (i.e. Special Provision statements added, changed or removed, added/removed type/practices, date changes, etc.).

34 Growing Season Observations

- (1) ROs may want to participate in growing season observations for the crop or program assessment to gather information about the crop risks at different growth stages, identify local markets for the commodity sales, monitor farming practices, and address and identify concerns from other government agencies, etc. Prior to participation in a growing season observation(s), the RO should gather the following information where applicable:
 - (a) policyholder information;
 - (b) APH, if applicable;
 - (c) CAE crop policy summary information for the applicable area and producer information;
 - (d) crop policy and performance information;
 - (e) if needed, check with local FSA, CES, and/or NRCS, and/or grower groups to gather input on growing conditions, growing practices, program concerns, and policy/procedural considerations for the crop in a review area;
 - (f) information gathered from the prior crop program review or PPA assessment; and
 - (g) for growing season best practices and resources, see Exhibit 4C
- (2) The RO will hold a teleconference, or have in-person meeting with the AIP, unless waived by the AIP. The RO will:
 - (a) participate in a meeting with the AIP representative(s) to explain the process and provide a list of any documentation that the RO will need to complete their review; and
 - (b) explain that this review will cover just the targeted assessment information only and that the AIP should not have any delays in working with the producer unless notified otherwise.
- (3) Prior to participation, ROs may review the following:
 - (a) information gathered in item (1), where applicable;
 - (b) information provided by the AIP;

34 Growing Season Observations (Continued)

- (c) applicable participation information (participation rates, policy performance, potential gaps in coverage, etc.);
 - (d) unit structure, pre-acceptance inspection, legal description, acreage report, and loss experience, as applicable;
 - (e) insurability of all acreage in the unit(s) involved; and
 - (f) special underwriting actions; e.g., Written Agreements, Determined Yields, Added Land, etc.
- (4) AIPs will upload any applicable documents, such as the schedule of insurance and acreage report to ROE. The AIP will help coordinate and participate in field visits with RMA and the producer.

35-40 (Reserved)

PART 5 REFERRALS

41 Referrals

A. Background

In the normal course of performing RO duties and responsibilities related to the PPA process, situations may arise that require referrals to various functional units within RMA for additional follow-up. This section establishes the process and requirements for written referrals when program vulnerabilities are identified, an AIP systemically fails to follow FCIC-issued policy and procedures, and/or program fraud, waste and abuse is identified. These referrals should be made to RMSD who will forward the referral to the appropriate division within RMA.

Complaints received from outside sources of alleged fraud, waste, and abuse of the crop insurance program must be immediately documented and referred in writing to RMSD.

B. Referrals of Program Vulnerabilities for Policy or Procedural Changes

ROs are in a unique position to review policies, standards, and procedures in real time situations. ROs can identify program vulnerabilities or the misunderstanding and misapplication of policies and/or procedures and can suggest program improvements to protect program integrity and to provide the appropriate risk protection to policyholders.

Referrals of program vulnerabilities for policy or procedural changes that arise from participation in the PPA reviews are to be submitted to RMSD for consideration and coordination of cross regional issues. If in agreement, RMSD will forward the referral to the DAPM through the DAIS.

To be effective, referrals must include, to the extent possible:

- (1) condition;
 - (a) Describe the situation or problem.
 - (b) Include documents and exhibits only if necessary.
- (2) current criteria. Cite and reference the FCIC-issued policy or procedure at issue, if applicable;
- (3) effect of the condition;
 - (a) Describe the negative program impact that is occurring due to the condition.
 - (b) Explain the consequence of not correcting the problem (for example, loss of time, accuracy, monetary, etc.), quantified, if possible.

B. Referrals of Program Vulnerabilities for Policy or Procedural Changes (continued)

- (4) recommendation. Recommend and describe a suggested solution for the problem or improvement for the situation. Include specific language, if possible;
- (5) analysis and assessment; and
 - (a) Consider and describe the effect of the condition and the recommendation on any other programs, rates, coverage, regions, etc., to the extent possible.
 - (b) Consider and describe the effect of the recommendation on stakeholders (for example, increased field inspections for AIPs, workload changes for AIPs or RMA, benefits, etc.).
- (6) support for recommendation.
 - (a) State whether or not the recommendation has been discussed with other ROs, AIPs, NCIS, and/or PM staff.
 - (b) Provide any support or concerns raised with regard to the recommendation.

C. Referrals for Systemic AIP Performance Issues

Referrals for systemic failure to follow FCIC-issued policies, standards, and procedures that arise out of the normal conduct of RO activities or operations which are fully documented and do not require further review must be submitted in writing to RMSD for consideration and coordination of cross regional issues. If in agreement with the referral, RMSD will forward the referral to RSD.

- (1) Systemic AIP performance issues include non-compliance with the SRA and Appendix IV, including but not limited to:
 - (a) Failure to respond to specific agency directions;
 - (b) Failure to correct identified discrepancies; and
 - (c) Failure to reconcile identified errors, etc.
- (2) Written referrals must include:
 - (a) party(ies) of the alleged wrongdoing. Include full name, address, phone number, AIP, agent, policy number, crops, etc. for all parties involved;
 - (b) condition – the situation or problem;
 - (i) Describe the discrepancy and who is alleged to be responsible.
 - (ii) Include documents relevant to the discrepancy as exhibits.

C. Referrals for Systemic AIP Performance Issues (continued)

- (c) cause. State your opinion of the underlying reason why the condition occurred (for example, lack of training, absence of quality controls, AIP reluctance to research cause of loss, etc.);
- (d) criteria;
 - (i) Provide the policy provision or procedure that establishes the standard.
 - (ii) Cite, quote, and exhibit FCIC issued policies, procedures, SRA, etc., to clearly identify the standard to be applied or followed.
- (e) impact; and
 - (i) State the logical quantified result of correcting the discrepancy, or applying FCIC issued policies, standards, and procedures, i.e., bushels, tons, etc., of APH correction, amount of reduced liability or indemnity, etc.
 - (ii) State the consequences of not correcting the discrepancies or problem.
- (f) AIP response.
 - (i) Include the manner, date, etc., the AIP was made aware of the discrepancy.
 - (ii) Detail the AIP reaction, reply, actions they are taking or plan to take, or disagreements.

D. Referrals for Suspected Cases of Fraud, Waste, or Abuse

While conducting PPA reviews, instances of suspected fraud, waste, or abuse and suspected wrongdoing in the use of FCIC-issued policies, standards, and procedures may be identified and should be discussed initially with the appropriate RCO. All formal referrals originating out of this process must be in writing to RMSD for consideration and coordination of cross-regional issues. If in agreement, RMSD will forward the referral to the DAC through the DAIS.

- (1) A referral must include:
 - (a) copies of all relevant documentation such as acreage determinations, appraisals, verification of entity, documented interviews, telephone interview records, contact information, etc., that the RO has obtained or completed prior to referral;
 - (b) party(ies) of alleged wrongdoing. Include full name, address, phone number, AIP, agent, FSA county office, policy number, crops, etc. for all parties involved;

D. Referrals for Suspected Cases of Fraud, Waste, or Abuse (continued)

- (c) condition;
 - (i) Describe the discrepancy and who is alleged to be responsible.
 - (ii) Include documents including the discrepancy as exhibits.
- (d) cause. State your opinion of the underlying reason why the condition occurred;
- (e) criteria;
 - (i) Provide the policy provision or procedure that establishes the standard.
 - (ii) Cite, quote, and exhibit FCIC issued policies, procedures, SRA, etc., to clearly identify the standard to be applied or followed.
- (f) impact; and
 - (i) State the expected result of correcting the discrepancy, or applying FCIC issued policies, standards, and procedures, (i.e., bushels, tons, etc., of APH correction, amount of reduced indemnity, etc.).
 - (ii) Describe impacts such as potential widespread misunderstanding or misapplication of procedure or claim administration.
 - (iii) Include the cost avoidance when RMA participation avoids or corrects a monetary discrepancy.
- (g) recommendation. State your recommendation to correct the problem, i.e., more specific training is needed, AIP needs to conduct further review, etc.

E. RMA RCO Responsibilities

- (1) Cases referred by RMSD to a Compliance Office must be recorded and tracked according to established procedures. RCOs will send an email to the referring RO and RMSD acknowledging their receipt of information within 30 days of receipt and advise if the referral has been accepted for review.
- (2) RCOs will provide written information and updates to the RO every 30 days, or sooner when necessary, and when RCO action is complete. The RCO will provide valid information that could affect the PPA determination or other RO function as soon as it becomes available.
- (3) DAC is responsible for referring appropriate cases to OIG. The RCO will refer cases appearing to have reasonable cause for investigation to the appropriate OIG office. The RCO will notify the RO of any open OIG investigation(s) related to the referral to ensure that RMA administrative action does not interfere with OIG case(s).

E. RMA RCO Responsibilities (continued)

- (4) Cases must be referred to OIG if fraudulent activity is known, suspected, or alleged, including:
 - (a) the submission of false claims or false or fraudulent statements by employees, policy holders, contractors, or others; and
 - (b) any violations of agricultural programs involving contractors, policy holders, employees, or others.
- (5) OIG involvement.
 - (a) OIG determines whether to accept the case for investigation based on consultation with the Department of Justice. Once a case is accepted by OIG, all subsequent administrative actions pertaining to the case must be coordinated with OIG.
 - (b) RCO Directors will inform the referring parties of any actions deemed necessary by OIG and ensure administrative actions do not interfere with OIG's investigation.
 - (c) If the case is accepted for investigation, any indemnity due will be held until completion of the investigation or until released by OIG.
 - (d) If OIG declines to investigate a matter referred to them, OIG will advise Compliance to take any administrative actions determined to be appropriate.

F. Filing Requirements

In all cases where a referral results from a PPA review, the referral must be referenced in the "Notes" section of the Report. The notes should include the date forwarded to RMSD, the issue or vulnerability identified for referral, and the outcome of the referral when notified. The referral document itself must be attached to the referral note.

42-50 (Reserved)

PART 6 REPORTS

51 Underwriting Review Reports

This section provides the timeframes and requirements for reports for underwriting reviews.

A. Deadlines

- (1) ROs are required to ensure all PPA underwriting reviews are completed no later than October 15. The RO will have until October 31 to ensure all checklists and documentation regarding these reviews have been completed and uploaded to the correct folders as applicable in ROE.
- (2) After the October 31 deadline, RMSD will work with ROs to pull reports for the checklists in ROE to identify both national and regional trends.

B. Report Criteria

- (1) The regional and national reports should include the following:
 - (a) number of policies reviewed;
 - (b) total liability of policies reviewed;
 - (c) crops reviewed;
 - (d) locations where reviews took place;
 - (e) AIPs involved in review policies; and
 - (d) percentage of policies reviewed that were in the current year of the rate review cycle.
- (2) A final report must be saved by the ROs and RMSD on the Crop Program Review SharePoint site.

This section lays out the timeframes and requirements for reports for crop and program assessment reports.

A. Reviews Deadlines

- (1) ROs are required to ensure all crop and program assessment reviews are completed no later than October 15. The RO will have until October 31 to ensure all checklists and documentation regarding these reviews have been completed and uploaded as applicable in ROE.
- (2) After the October 31 deadline, RMSD will work with ROs to pull reports for the checklists in ROE to identify both National and Regional Trends.
- (3) With DAIS approval, ROs may have the deadline extended when situations arise where a crop or program assessment needs to extend beyond the current year review timeframe.

B. Report Criteria

- (1) The regional and national report must largely be driven by the information included in the regional/national plan and include the following:
 - (a) executive summary;
 - (b) background from the regional/national plan;
 - (c) objectives from the regional/national plan;
 - (d) scope from the regional/national plan;
 - (e) methodology from the regional/national plan;
 - (f) analysis and review summary;
 - (g) recommendations;
 - (h) closing; and
 - (i) appendices/exhibits (if necessary)
- (2) The regional and national report checklists are mostly automated with linkage to Tableau and ROE.
- (3) The final report narrative must be saved by the ROs and RMSD on the Crop Program Review SharePoint site.

53-60 (Reserved)

PART 7 ADMINISTRATIVE REVIEW AND APPEALS

61 Administrative Review

This section provides the procedure for AIPs to dispute error determinations by RMA in accordance with 7 CFR 400.169(a).

- (1) In the event an AIP disagrees with an RO's determination that a request submitted was incomplete or the PPA review determined that there were errors, the AIP may request in writing (through email or mail) that the RO take another review of the determination.
- (2) The AIP must send the review request to the RO within 30 calendar days from the date the review was marked completed and include, at a minimum, the policy number and the reason for the disagreement.
- (3) The RO will review the request and provide a written response no later than 30 calendar days from receipt of the review request.

62 Reconsideration

- (1) If the RO determination remains unchanged and the AIP disagrees with the RO determination, the AIP may submit a written request for reconsideration to RMSD at ROERO_Coordinators@usda.gov.
- (2) RMSD will review the request and provide a written response no later than 30 business days from receipt of the review request. All requests submitted for reconsideration of a determination to RMSD must be submitted within 30 calendar days after receipt of the RO's determination.
- (3) If the AIP disagrees with the reconsideration, they may request a final administrative determination in accordance with 7 CFR 400.169(a).

Acronyms and Abbreviations

The following table provides approved acronyms and abbreviations that may be used in this handbook or other PPA procedure.

| Acronym/ Abbreviation | Term |
|----------------------------------|---|
| AIB | Actuarial Information Browser |
| AIP | Approved Insurance Provider |
| APH | Actual Production History |
| ARD | Acreage Reporting Date |
| ARH | Actual Revenue History |
| ARPI | Area Risk Protection Insurance |
| AUSA | Assistant United States Attorney |
| BP | Basic Provisions |
| CAE | Center for Agribusiness Excellence |
| CAT | Catastrophic Risk Protection |
| CFR | Code of Federal Regulations |
| CIH | Crop Insurance Handbook |
| CP | Crop Provisions |
| DAC | Deputy Administrator of Compliance |
| DAIS | Deputy Administrator of Insurance Services |
| DAPM | Deputy Administrator of Product Management |
| ECIC | Eligible Crop Insurance Contract |
| FAD | Final Agency Determination |
| FCIC | Federal Crop Insurance Corporation |
| FSA | Farm Service Agency |
| GFP | Good Farming Practices |
| GIS | Geographic Information System |
| GSH | General Standards Handbook |
| IS | Insurance Services |
| LAM | Loss Adjustment Manual |
| LASH | Loss Adjustment Standards Handbook |
| LPRA | Livestock Price Reinsurance Agreement |
| NAD | National Appeals Division |
| NCIS | National Crop Insurance Services |
| NRCS | Natural Resources Conservation Service |
| OGC | Office of General Counsel |
| OIG | Office of Inspector General |
| PASS | Policy Acceptance and Storage System |
| PAIR | Perennial Crop Pre-Acceptance Inspection Report |
| PAW | Pre-Acceptance Worksheet |
| PII | Personally Identifiable Information |
| PIVR | Plant Inventory Value Report |
| PM | Product Management |
| PPA | Program Performance Assessment |
| PRISM | Parameter elevation Regressions on Independent Slopes Model |

Acronyms and Abbreviations (Continued)

| Acronym/ Abbreviation | Term |
|----------------------------------|---|
| RCO | Regional Compliance Office |
| RMA | Risk Management Agency |
| RMSD | Risk Management Services Division |
| RO | RMA Regional Office |
| ROE | Regional Office Exceptions |
| RSD | Reinsurance Services Division |
| SIS | Special Investigations Staff |
| SP | Special Provisions |
| SRA | Standard Reinsurance Agreement |
| USDA | United States Department of Agriculture |
| WFRP | Whole-Farm Revenue Protection |

Definitions

The following are definitions of terms used in this handbook.

AIP means a legal entity, including the company, which has entered into a SRA with FCIC for the applicable reinsurance year.

Authorized Representative means any person, whether or not an attorney, who is authorized in writing by the policyholder to act for the policyholder.

Inspection means the verification:

- (1) As to whether the application, production report, acreage report, or other relevant documents (such as a Farm Report for WFRP eligible crop insurance contracts) were timely submitted in accordance with FCIC procedures.
- (2) That policy documents, including but not limited to, actuarial documents, have been properly used and applied;
- (3) That the reported practice is being carried out in accordance with GFP;
- (4) That the crop has been planted, or replanted, as applicable;
- (5) That the policyholder qualifies as an eligible producer; and
- (6) That the agent and underwriter have complied with FCIC procedures.

Personal Identifiable Information (PII) means information specific to the policyholder on any document.

Verification means the determination of whether information submitted is true and accurate through independent third parties or independent documentation in accordance with FCIC procedures. With respect to certifications, asking the policyholder whether the information is true and accurate does not constitute verification.

Written Documentation means any written information in hard copy or compatible electronic format, including facsimile and email.

Selection Process Templates

A. RO Selection Plan

Regional Selection Plan – PPA Template

- A. Scope – prioritization for upcoming PPA Reviews
 - i. Top (5) crop policies (types, practices, endorsements, etc.) for the region
 - ii. Regional program or procedural concerns/focus
 - iii. Specialty crop/program participation considerations

- B. Background – review selection and why
 - i. PPA Reviews will be done for the following areas:
 - a. Underwriting Reviews;
 - b. Policy Performance Reviews; and
 - c. Program Performance Reviews.

 - ii. Reason for selecting the criteria for the first year of implementation of PPA is to establish credible performance assessment reviews for underwriting, policy performance, and program performance that meet the objectives for the reviews.
 - a. One (1) underwriting review will be selected and performed by each RO Risk Management Specialist;
 - b. No more than two (2) crop policy performance reviews will be selected and performed by the RO; and
 - c. One (1) multiregional program performance review will be selected and performed at the National level.

- C. Objectives – the goal of the reviews: underwriting, policy performance, and program performance
 - i. The goal for reviewing the underwriting, policy performance, and program performance is to identify opportunities to improve the federal crop insurance program performance in the following areas:
 - a. Areas of potential improvement in policy and procedure;
 - b. Training opportunities and needs;
 - c. Program, Policy, and AIP performance; and
 - d. Instances of potential or suspected program fraud, waste, and abuse.

Selection Process Templates (Continued)

A. RO Selection Plan (continued)

- D. Methodology – data mining approach that will address sample or pool size, questions to resolve, etc., based on the following areas:
- i. Prior Year or Current Year Natural Disasters;
 - ii. New Programs;
 - iii. Crop policies that are open for updates;
 - iv. Crop policies that recently changed;
 - v. Issues identified during prior Crop Program Review;
 - vi. Crops/Practices/Types that have not been reviewed in past 2 Crop Program Review Cycles;
 - vii. Crops that are up for the next review cycle;
 - viii. Specialty Crops;
 - ix. Crops with poor participation rates;
 - x. Other Areas for potential program improvements;
 - a. Planting Dates
 - b. Practices / Types not currently insured
 - c. Gaps in current coverage
 - xi. Program integrity; and
 - xii. Other Management priorities

Selection Process Templates (Continued)

B. National Selection Plan Templates***National Selection Plan – PPA Template***

- A. Scope – prioritization for upcoming PPA Reviews
 - i. Top (5) crop policies (types, practices, endorsements, etc.) with input from RMSD & ROs;
 - ii. RMA program or procedural concerns/focus with input from PM, Compliance, & RSD;
 - iii. Specialty crop/program participation considerations with input from PM; and
 - iv. AIP Considerations with input from Compliance & RSD.
- B. Background – review selection and why
 - i. PPA Reviews will be done for the following areas:
 - a. Underwriting Reviews;
 - b. Policy Performance Reviews; and
 - c. Program Performance Reviews.
 - ii. Reason for selecting the criteria for the first year of implementation of PPA is to establish credible performance assessment reviews for underwriting, policy performance, and program performance that meet the objectives for the reviews.
 - a. Crop policy performance reviews will be selected and performed by the following ROs (*list ROs*); and
 - b. One (1) multi-regional program performance review will be selected and performed at the National level.
- C. Objectives – the goal of the reviews: underwriting, policy performance, and program performance
 - i. The goal for reviewing the underwriting, policy performance, and program performance is to identify opportunities to improve the federal crop insurance program performance in the following areas:
 - a. Areas of potential improvement in policy and procedure;
 - b. Training opportunities and needs;
 - c. Program, Policy, and AIP performance; and
 - d. Instances of potential or suspected program fraud, waste, and abuse.

Selection Process Templates (Continued)

B. National Selection Plan Templates (continued)

- D. Methodology – data mining approach that will address sample or pool size, questions to resolve, etc., based on the following areas:
- i. Prior Year or Current Year Natural Disasters;
 - ii. New Programs;
 - iii. Crop policies that are open for updates;
 - iv. Crop policies that recently changed;
 - v. Issues identified during prior Crop Program Review;
 - vi. Crops/Practices/Types that have not been reviewed in past 2 Crop Program Review Cycles;
 - vii. Crops that are up for the next review cycle;
 - viii. Specialty Crops;
 - ix. Crops with poor participation rates;
 - x. Other Areas for potential program improvements;
 - a. Planting Dates
 - b. Practices / Types not currently insured
 - c. Gaps in current coverage
 - xi. Program integrity;
 - xii. Other Management priorities; and
 - xiii. AIP concerns.

Selection Process Templates (Continued)

C. PPA Selection Pool Letter to AIPs

PPA Letter to AIP Template

[*Name of AIP Contact, Title*]
[*AIP Name*]

Dear [*Mr./Ms. Name*]:

The USDA Risk Management Agency, [*Name of Region*] Regional Office has identified the policies listed on the attached list as policies for review as part of the Program Performance Assessment (PPA). The PPA is a fact-based assessment program to ensure that policy language, AIP performance, loss adjustment activities, and general policy implementation is adaptive, effective, and actuarially sound and that RMA is being a good steward of taxpayer dollars.

Please provide all files and associated records for the identified policies into the ROE within 15 business days, if selected for participation. Once the complete file is submitted, this office will conduct a thorough review of documentation submitted. This review will cover just the targeted assessment information only and should not delay working with the producer, unless notified otherwise. If an error is identified as part of this PPA review, we will inform you so that any necessary corrections can be made.

According to the Standard Reinsurance Agreement (SRA), Section IV, (g), "...the Company shall provide FCIC reasonable access to its offices, personnel, and all records that pertain to the business conducted under, or the requirements contained in, [the SRA]..." In addition, Section IV, (g) states, "Records described in this subsection shall be retained until 3 years after the last day on which records may be submitted through automated systems in accordance with Appendix III." The three-year retention period for the policies identified on the attached list has not passed.

Records for review have been included in the attached appendix. Records may also be requested at a later date and any request will be in writing.

Thank you for your prompt attention in this matter. If you have any questions, please contact [*Name of Reviewer*] at [*Phone Number*] or via e-mail at [*E-mail Address*].

Sincerely,

[*Insert Signature Here*]

[*Name of Director*]
Director, [*Name of Region*] Regional Office

Program Performance Participation Templates

A. Underwriting Review Checklists

(1) APH and ARH Underwriting Review Checklist

| Application | Subject | Response | Notes |
|--|--|-----------------|--------------|
| Application | Was the application signed by an authorized person? | Yes/No/NA | |
| Application Signature: | Was the application signed timely? | Yes/No/NA | |
| Application Transfer: | If applicable, was the transfer of a policy to another AIP completed correctly and timely? | Yes/No/NA | |
| Transfer of Coverage: | If applicable, was the transfer of coverage completed correctly? | Yes/No/NA | |
| Persons / Entities: | Have the Person(s) / Entities been recorded correctly and documented properly? | Yes/No/NA | |
| Persons Signature | Does the signature on the application match the signature type? | Yes/No/NA | |
| Substantial Beneficial Interest (SBI) (includes spouse): | Have all SBI's been recorded on the application correctly? | Yes/No/NA | |
| Identification Number (SSN, EIN, etc.): | Have all tax ID numbers been recorded correctly on the application or corrected timely? | Yes/No/NA | |
| Correction of errors | If other errors were corrected, were they corrected in accordance with Section 25 of the BP? | Yes/No/NA | |
| Crop / County Insured | Does the county/crop combination being reviewed appear on the application? | Yes/No/NA | |
| Insurance Choices | | | |
| County / Crop Elections | Do the insurance elections on the application match the Schedule of Insurance? Are they allowed? | Yes/No/NA | |
| Options / Endorsements | Did the producer qualify for the options and endorsements and were they administered correctly? | Yes/No/NA | |
| New Producer: | If New Producer is elected, are requirements met and implemented correctly? | Yes/No/NA | |
| Beginning Farmer and Rancher: | If Beginning Farmer and Rancher is elected, are requirements met and implemented correctly? | Yes/No/NA | |
| Veteran Farmer and Rancher | If Veteran Farmer and Rancher is elected, are requirements met and implemented correctly? | Yes/No/NA | |
| Other Contract Elections | If the producer had other contract elections, are requirements met and implemented correctly? | Yes/No/NA | |

Program Performance Participation Templates (Continued)

A. Underwriting Review Checklists (continued)

| Acreage Reports/Approved Schedule of Insurance/Inspections | | | |
|---|--|-----------|--|
| Acreage Report: | Does the Acreage Report include a valid and timely dated signature? | Yes/No/NA | |
| Acreage Report Signature: | Is the acreage report signed by an authorized person or, if not, did the AIP follow procedures for unsigned acreage reports? | Yes/No/NA | |
| Acreage Report Accuracy | Were all acres reported accurately and within allowed tolerances? | Yes/No/NA | |
| Revised Acreage Report: | Were the conditions allowing a Revised Acreage Report met? | Yes/No/NA | |
| Written Agreement (WA): | Were the terms of the WA applied correctly? | Yes/No/NA | |
| Determined Yield (DY): | Were the terms of the DY applied correctly? | Yes/No/NA | |
| Practice/Type (P/T) Match: | Does the P/T certified match the P/T planted? | Yes/No/NA | |
| Practice/Type (P/T) Insurability: | Is the certified P/T insurable per the actuarial documents or WA? | Yes/No/NA | |
| Crop / Practice / Type Insurability Conditions met? | Were conditions that establish insurability (rotation, age, plant population, or production) met? | Yes/No/NA | |
| Land Classification: | Were land classifications correct? | Yes/No/NA | |
| Planting Dates: | Were guarantee reductions based on planting dates assessed as required? | Yes/No/NA | |
| Share: | Was the share for each unit reported correctly? | Yes/No/NA | |
| Unit Structure: | Does the unit structure selected meet the unit structure requirements? | Yes/No/NA | |
| New Breaking / Native Sod: | Were the criteria for New Breaking with or without a Written Agreement met and applied correctly? | Yes/No/NA | |
| Conservation Compliance: | Was the producer in compliance with conservation compliance provisions? | Yes/No/NA | |
| Production Reporting and Actual Production History | | | |
| Production Records - Acceptability: | Are the production records used to support the production certification acceptable? | Yes/No/NA | |
| Production Records – Support Units: | Do the production records submitted support the unit structure? | Yes/No/NA | |
| Production Report Signature: | Does the Production Report include a valid and timely dated signature? | Yes/No/NA | |
| APH Yield Verification: | Do APH databases contain the correct yields (actual, assigned, non-actual, etc.)? | Yes/No/NA | |
| Audit of Actual Production History: | Did the approved APH(s) or the Rate Yield stay the same? | Yes/No/NA | |

Program Performance Participation Templates (Continued)

A. Underwriting Review Checklists (continued)

(2) WFRP Underwriting Review Checklist

| Whole-Farm Revenue Protection Review Checklist | | Response | Notes |
|--|---|-----------------|--------------|
| Application/Entity/Contract Selections Review | | | |
| County/Crop Selections: | Does the county/crop combination being reviewed appear on the Application/Contract Change/Transfer form? | Yes/No/NA | |
| Application Signature: | Does the Application/Contract Change/Transfer form include a valid and timely dated signature? | Yes/No/NA | |
| Person Type: | Is the person type correct? | Yes/No/NA | |
| Signature type: | Does the signature meet the requirements for the person type? | Yes/No/NA | |
| Identification Number (SSN, EIN, etc.): | Is the identification number correct? | Yes/No/NA | |
| Substantial Beneficial Interest (SBI) (includes spouse): | Do the SBIs listed on the Application/Contract Change/Transfer form match those listed in the Policy Interest Holders Report? | Yes/No/NA | |
| Contract Selections: | Does the policy contain the selected plans, options, endorsements, coverage levels, and type of tax filer requested on the Application/Contract Change/Transfer form? | Yes/No/NA | |
| Qualification of Contract Selections: | Were all requirements of the selected options and endorsements met (BFR, VFR, SCO, Fresh Fruit Quality Adjustment Option, WCO, etc.)? | Yes/No/NA | |
| New Producer: | If New Producer is indicated, are requirements met? | Yes/No/NA | |
| Qualifying Person: | Were the qualifying person criteria met? | Yes/No/NA | |
| Whole Farm History Report: | Was the Whole Farm Historic Average on Whole Farm History Report computed correctly and supported by Schedule Fs, Allowable Revenue Worksheets, and Allowable Expense Worksheets? | Yes/No/NA | |
| Intended Farm History Report - Approved Revenue: | Was the Approved Revenue determined correctly? | Yes/No/NA | |
| Intended Farm History Report - Expected Values: | Were the expected values supported by verifiable records? | Yes/No/NA | |
| Intended Farm History Report - Expected Yields: | Were the expected yields supported by verifiable records? | Yes/No/NA | |
| Intended Farm History Report - Revenue Indexed: | Was the whole-farm simple average allowable revenue indexed properly? | Yes/No/NA | |
| Intended Farm History Report - Expanding Operation: | Was the whole-farm expanding operation factor applied properly to the simple average allowable revenue? | Yes/No/NA | |

Program Performance Participation Templates (Continued)

A. Underwriting Review Checklists (continued)

| Acreage Report / Revised Farm Operation Report for WFRP Review | | | |
|---|--|-----------|--|
| Revised Farm Operation Report Signature: | Does the Revised Farm Operation Report include a valid and timely dated signature? | Yes/No/NA | |
| Authorized Signatures: | Is the Revised Farm Operation Report signed by an authorized person? | Yes/No/NA | |
| Conservation Compliance: | Was the producer in compliance with conservation compliance provisions? | Yes/No/NA | |
| Revised Farm Operation Report: | Did Revised Farm Operation Report contain all required information? | Yes/No/NA | |

(3) Index Plans - Underwriting Review Checklist

| Rainfall Index Underwriting Review Checklist | | Response | Notes |
|--|--|-----------------|--------------|
| Application Review | | | |
| County/Crop Selections: | Are the county, grid ID, coverage level, productivity factor, crop, index intervals, and percent of value listed on the Application/Contract Change/Transfer form? | Yes/No/NA | |
| Signature Date: | Does the Application/Contract Change/Transfer form include a valid and timely dated signature? | Yes/No/NA | |
| Person Type: | Is the person type correct? | Yes/No/NA | |
| Signature type: | Does the signature meet the requirements for the person type? | Yes/No/NA | |
| Identification Number (SSN, EIN, etc.): | Is the identification number correct? | Yes/No/NA | |
| Substantial Beneficial Interest (SBI) (includes spouse): | Do the SBIs listed on the Application/Contract Change/Transfer form match those listed in the Policy Interest Holders Report? | Yes/No/NA | |
| Beginning Farmer and Rancher (BFR): | If Beginning Farmer and Rancher is selected by the producer, were the requirements to qualify for BFR met? | Yes/No/NA | |
| Disclaimer Statements: | Is the applicable disclaimer statement completed and signed by the applicable date? | Yes/No/NA | |
| Selecting a Grid: | Does the grid ID listed for the insured acreage/colonies match the grid ID number shown in the actuarial documents? Do the total number of insured colonies exceed the total number of all insurable colonies? | Yes/No/NA | |
| Coverage Level: | Is the coverage level identified correctly as provided in the policy and Actuarial documents/SPOIs? | Yes/No/NA | |
| Productivity Factor: | Is the productivity factor identified correctly as provided in the policy and Actuarial documents/SPOIs? | Yes/No/NA | |
| Percent of Value (Index Intervals): | Are the index intervals selected listed correctly and acceptable under applicable policy requirements? | Yes/No/NA | |
| Insurability: | Do the acres/colonies insured meet insurability requirements for the selected intent? | Yes/No/NA | |

Program Performance Participation Templates (Continued)

A. Underwriting Review Checklists (continued)

| Acreage Report Review | | | |
|-----------------------------------|---|-----------|--|
| Acreage Report Signature: | Does the Acreage/Colony Report include a valid and timely dated signature? | Yes/No/NA | |
| Authorized Signatures: | Is the acreage report signed by an authorized person or did the AIP follow procedures for unsigned acreage reports? | Yes/No/NA | |
| Practice/Type (P/T) Match: | Does the P/T certified match the P/T planted? | Yes/No/NA | |
| Practice/Type (P/T) Insurability: | Is the certified P/T insurable per the actuarial documents? | Yes/No/NA | |
| Were Insurability Conditions Met: | Were conditions that establish insurability (rotation, age, plant population, or production) met? | Yes/No/NA | |
| Acreage/Colony Reporting: | Were all acres/colonies reported accurately and within allowed tolerances? | Yes/No/NA | |
| Planting Dates: | Was the crop planted prior to the Final Planting Date? | Yes/No/NA | |
| Share: | Was the share for each unit reported correctly? | Yes/No/NA | |
| Revised Acreage Report: | Were the conditions allowing a Revised Acreage Report met? | Yes/No/NA | |
| Conservation Compliance: | Was the producer in compliance with conservation compliance provisions by the required date? | Yes/No/NA | |
| Point of Reference: | Were separate points of reference provided for all non-contiguous and contiguous insured acreage in a grid, by crop and intended use, using the maps contained on RMA's web site? | Yes/No/NA | |
| Report of Colonies: | Were all conditions met per the colony report? | Yes/No/NA | |
| Livestock Records: | When the intended use is grazing, were adequate verifiable livestock records provided to support the policyholder's interest in livestock? | Yes/No/NA | |

Program Performance Participation Templates (Continued)

B. Crop / Program Review Checklists

(1) APH, ARH, and Program Checklist

| Crop/Program review | Yes/No/NA | Comments (mandatory w/ "No" optional w/ "Yes") |
|--|-----------|--|
| Policy | | |
| Are the crop provisions working as intended? | | |
| Are the Basic Provisions working as intended for this crop? | | |
| Procedures | | |
| Are the program procedures applicable to the crop operating as intended (CIH, WAH, underwriting guidelines, etc.)? | | |
| Are loss adjustment procedures working as intended? | | |
| Are APH procedures working as intended? | | |
| Actuarial info | | |
| Are the SPOI statements working as intended? | | |
| Are the SPOI statements sufficient? | | |
| Are the dates listed in the AIB accurate and working as intended? | | |
| Are the maps shown in the AIB accurate? | | |
| Are the maps shown in the AIB necessary? | | |
| Are all necessary risk classification maps shown in the AIB? | | |

Program Performance Participation Templates (Continued)

B. Crop/Program Review Checklists (continued)

| | | |
|---|--|--|
| Are the offered rates adequate? | | |
| Do the T-Yields accurately reflect expected yields in the area? | | |
| Are the types and practices acceptable? | | |
| Are insurable production practices successful? | | |
| Are the prices listed adequate? | | |
| Field work input | | |
| Are markets available and feasible in the area? | | |
| Are record requirements feasible and accurate? | | |
| Are vertically integrated requirements working as intended? | | |
| Were AIP personnel (underwriters/loss adjusters) satisfied with the policy? | | |
| Were producers satisfied with the policy? | | |
| Is the policy in line with industry trends? | | |
| Are quality adjustment procedures working as intended? | | |
| Are quality adjustment procedures adequate for the quality issues producers face? | | |
| Was the review absent of any fraud, waste or abuse? | | |
| Is the crop/program free from vulnerabilities? | | |

Program Performance Participation Templates (Continued)

B. Crop/Program Review Checklists (continued)

(2) WFRP Checklist

| WFRP Crop review | Yes | No | n/a | Comments (mandatory w/ "No" optional w/ "Yes") |
|---|-----|----|-----|--|
| Is the qualifying person criteria sufficient? | | | | |
| Are insurance eligibility requirements sufficient? | | | | |
| Are 5-year revenue reporting requirements working as intended? | | | | |
| Are 5-year expense reporting requirements working as intended? | | | | |
| Are indexing and expansion calculations working as intended? | | | | |
| Are inventory reporting procedures working as intended? | | | | |
| Are accounts receivable/payable/prepaid expenses procedures working as intended? | | | | |
| Are market animal and nursery inventory reporting procedures working as intended? | | | | |
| Are expected value procedures working as intended? | | | | |
| Are expected yield procedures working as intended? | | | | |
| Are Farm Operation Report procedures working as intended? | | | | |
| Are commodity count procedures working as intended? | | | | |
| Are allowable revenue and expense procedures working as intended? | | | | |
| Are loss adjustment procedures working as intended? | | | | |
| Are dates in the AIB appropriate? | | | | |
| Are commodities lists in AIB appropriate? | | | | |
| Were agents in the area able to sell the product? | | | | |
| Were agents/producers sufficiently knowledgeable about the product? | | | | |
| Were producers satisfied with the policy? | | | | |
| Were AIP personnel (underwriters/loss adjusters) satisfied with the policy? | | | | |
| Was the review absent of any fraud, waste or abuse? | | | | |
| Is the policy free from vulnerabilities? | | | | |

Program Performance Participation Templates (Continued)

B. Crop/Program Review Checklists (continued)

(3) Index Plans Checklist

| RI crop review | Yes | No | n/a | Comments (mandatory w/ "No" optional w/ "Yes") |
|---|-----|----|-----|--|
| Are the crop provisions working as intended? | | | | |
| Do the RI/VI Basic Provisions work as intended for this crop? | | | | |
| Are acreage/grid determination procedures working as intended? | | | | |
| Are productivity factor procedures working as intended? | | | | |
| Are county base values in the AIB sufficient and accurate? | | | | |
| Are the percent of value procedures working as intended? | | | | |
| Are the defined index intervals appropriate and working as intended? | | | | |
| Are record requirements for at-risk livestock working as intended? | | | | |
| Were agents in the area able to sell the product? | | | | |
| Were agents/producers sufficiently knowledgeable about the product? | | | | |
| Were producers satisfied with the policy? | | | | |
| Were AIP personnel (underwriters/loss adjusters) satisfied with the policy? | | | | |
| Was the review absent of any fraud, waste or abuse? | | | | |
| Is the policy free from vulnerabilities? | | | | |

Program Performance Participation Templates (Continued)

C. Growing Season Observation Practices and Templates

Overview:

Growing season observations/field visits are intended to get direct firsthand knowledge from producers and AIPs that work with the product RMA administrators in a field setting. If done correctly, these observations and visits should reveal the shortcomings or perceived shortcomings of the program.

Specialist preparation for the GSO:

- Pull the producer experience for the crop
- Review the applicable appraisal procedures
- Review the most current crop program review for background information and potential questions
- Review the crop policy and county actuarial documents.
- Reference ongoing crop and program reviews as they relate to the GSO questions
- Check to see if the policy has a written agreement
- Set up your travel plans
- Review your planned travel itinerary and look for potential local area stops to gather additional crop and program information.
 - Local or district extension office
 - County USDA offices
 - Local grain or packer house
 - Area research stations
 - Grower group headquarters

Preparing for GSO Field Work:

Field work for GSO will take place in many different weather conditions. You will complete GSO in various conditions including; heat, wind, sun, mud, cold, snow; and you may be hit with more extreme conditions as you travel so you need to be prepared to handle the weather conditions that may arise. Jeans and a collared work shirt or similar apparel along with sturdy shoes or boots are good clothing choices. T-shirts and shorts are not recommended. Be sure to check the weather before you travel and bring a coat, jacket, rain boots, etc. Sunscreen and bug spray may be needed as well. Don't forget your note pad and pen to take notes and a camera to record what you find.

Final documentation of the review:

Prepare a Director's report using your field notes and documentation collected during your review. This documentation can be used to supplement the final RO report.

Program Performance Participation Templates (Continued)

C. Growing Season Observation Practices and Templates (continued)

FIELD GROWING SEASON OBSERVATION

Insured _____ Policy Number _____

Crop Year _____ Crop _____

Practice _____ Acres _____

Share _____ Field ID _____

Unit Number if available _____ Planting Date _____

Field observations appraised potential _____

Grower Questions

If applicable, tillage methods _____

Weed Control Practices _____

When was the last soil test taken _____

What fertilizer program is being followed _____

What insecticide program is being followed _____

What are your crop and policy limitations _____

Management Observations _____

Grower view of crop or policy limitations _____

Grower what other crops do you grow and what do you like or dislike about the insurance product _____

Do you use cover crops in your operation, how have they worked for you _____

AIP Questions

AIP observations of the crop and policy in general not producer specific _____

AIP and Grower insight of program abuse issue _____

AIP and Grower view of SPOI statements if any _____

Additional question tied to the selection plan – crop/program review items _____

Additional Comments _____

Risk Management Specialist: _____

Program Performance Participation Templates (Continued)

D. AIP Participation Documentation/Information Template

AIPs should upload a complete file including, but not limited to, the following:

- Most recently signed Application/Contract Change/Transfer form
- Schedule of Insurance
- Summary of Coverage
- Power of Attorney or other legally sufficient document (Exhibit 2 of the GSH)
- Signed Acreage Reporting form (or AIP documentation of alternative procedures)
- Exception information, Written Agreement or Determined Yield (if applicable)
- PAW, PAIR, Fresh Acre Verification supporting documents (i.e. apples, peaches, etc.), and any additional producer or AIP documentation as required. (if applicable)
- FSA 578 (or other FSA data)
- Maps
- Precision farming records, GPS or other measurement services as needed
- Revised Acreage Report, documentation supporting the reason for revision
- Approved APH form
- Production Reporting form
- Verifiable Production Records (by unit if applicable). All Acceptable Production Documents as Outlined in the CIH
- Verifiable Livestock Records (if applicable)
- Or other documents as requested by the RO