

## **Training and Performance Plan (TPEP) and Training and Performance Report (TPER) Guidance**

### **I. PURPOSE**

The TPEP and TPER outline on an annual basis the methods planned and taken by each Company to assess and correct where appropriate the work performance of the Company's staff who, in turn, sell and service the FCIC-approved crop insurance programs to producers and ranchers. This stems from the statutory requirements stated in the Federal Crop Insurance Act (section 515).

#### **1-43                                      FEDERAL CROP INSURANCE ACT                                      Sec. 515**

#### **(f) DETECTION OF DISPARATE PERFORMANCE**

(3) OVER SIGHT OF AGENTS AND LOSS ADJUSTERS - The Corporation shall develop procedures to require an annual review by an approved insurance provider of the performance of each agent and loss adjuster used by the approved insurance provider regarding any remedial action that is determined to be necessary as a result of the annual review of an agent or loss adjuster.

### **II. CYCLE**

The formation of the training plan and the evaluation report will create a cycle of planning and implementing (TPEP), assessing and reporting (TPER), and improving the work performance of the Company's staff (TPEP). This cycle will cause a dynamic in which the effectiveness of the training to staff is measured by their actual work performance. Individuals found by the Company's own standards as non-satisfactory will be placed on a more rigorous training and monitoring plan to achieve satisfactory performance. Evaluation of individual work performance is expected to be on-going, and as such, will affect the overall effectiveness of the Company in the delivery of the FCIC-approved crop insurance programs.

First, the TPEP will be submitted with the Company's Plan of Operations.

Second, the subsequent TPEP will include information that demonstrates how the results captured by the TPER affected change in the Company's TPEP.

## **SECTION II. TRAINING OF AGENTS, LOSS ADJUSTERS, AND OTHER PERSONNEL**

### **(a) General Company Responsibilities**

- (1) The Company is responsible for establishing a “Training and Performance Evaluation Plan” (TPEP) and submitting the TPEP in the Company’s Plan of Operations, in accordance with Appendix II. Nothing in these requirements precludes the Company from providing training that exceeds these requirements.

*In each instance in which training or testing is required hereunder, it may, at the AIP’s option, be provided in person in a classroom setting or via online format. If conducted online, the methodology used must ensure the individual is trained or tested appropriately, as if in person in a classroom setting.*

- (2) The TPEP shall:

- (A) State the measurement standards acceptable for:

- (i) Test proficiency; and

*In fulfillment of **Appendix IV Sec. II (a)(2)(A)(i)**, the measurement standards for testing proficiency will be an AIP-administered written Competency Test, administered in person in a classroom setting or via online format. AIPs will have access to NCIS test questions and will use the NCIS exam or create a competency exam of their own. Such test will be conducted according to the RMA-accepted Competency Test rules. New agents are required to successfully complete the Agent Competency Test prior to selling or servicing any eligible crop insurance contracts. New loss adjusters are required to successfully complete the Adjuster Competency Test prior to signing any claim under an eligible crop insurance contract. All agents and loss adjusters are required to successfully complete the test at least every three years. A score resulting in 70 percent or greater is considered passing. Those new to this AIP will be required to take the Competency Test unless we or the agent/loss adjuster can obtain documentation from the former AIP that he/she successfully completed said exam within the past three years. Agent and loss adjuster Competency Test results will be maintained in accordance with section IV (g) of the SRA.*

- (ii) Satisfactory work performance.

*In fulfillment of **Appendix IV Sec. II (a)(2)(A)(ii)**: The measurement standards for unsatisfactory work performance will be the determination by the Company that the review and evaluation of the individual has identified a frequency or severity of material errors as defined in the SRA that require additional*

*training and/or remedial action of the individual by the Company. Note, the definition in the SRA states, "as determined by FCIC" however, for this requirement the definition shall also include as determined by the company as well.*

- (B) Describe the internal control measures used to assign work and track, monitor and evaluate work performance against the measurement standards under subparagraph (a)(2)(A);

*Provide a description of the processes and controls utilized by the company to assign work, and to track, monitor and evaluate work performance of individuals against the measurement standards under subparagraph (a)(2)(A).*

- (C) Describe the additional training and monitoring applicable to any individual who fails to meet the measurement standards specified in subparagraph (a)(2)(A);

*Provide a description of the processes utilized by the company to determine what additional training is necessary, and show how performance will be monitored for any individual who fails to meet the measurement standards specified in subparagraph (a)(2)(A).*

- (D) Describe the training curriculum developed from subsections (b) and (c) for:

- (i) New agents and new loss adjusters;
- (ii) Experienced agents and experienced loss adjusters;

*In fulfillment of **Appendix IV Sec. II (a)(2)(D)(i) & (ii)**, the training curriculum for new and experienced agents and new and experienced loss adjusters will, at a minimum, include all of the requirements of Section II of appendix IV.*

- (iii) Agents and loss adjusters with deficient work performance to meet the standards established in subsection (a) (2) (A); and

*In fulfillment of **Appendix IV Sec. II (a)(2)(D)(iii)**, when a performance deficiency is determined of agents and loss adjusters, follow up will be provided in the area of deficiency and the agent/loss adjuster will be monitored until competency is determined.*

- (iv) Employees performing functions relating to sales and service, loss adjustment, and underwriting.

*In fulfillment of **Appendix IV Sec. II (a)(2)(D)(iv)**, the training curriculum for employees performing functions relating to sales and service, loss adjustment, and underwriting will, at a minimum, include all of the requirements of Section II of appendix IV.*

- (E) Describe the individual training for employees, agents, loss adjusters, or other affiliates with respect to specific crops, areas, and plans of insurance serviced by such individuals;

*Provide a description of the process utilized by the company to determine and to provide to employees, agents, loss adjusters, or other affiliates training on specific crops, areas, and plans of insurance serviced by such individuals.*

- (F) List the names and titles of the individuals responsible for the training under the TPEP;

*In fulfillment of **Appendix IV Sec. II (a)(2)(F)**: List the titles of the personnel responsible for the training (i.e. Field Personnel, Division Office Management).*

- (G) Provide a timeline for training all individuals identified in subsection (a)(2)(D)(i-iv) prior to the time the work is performed;

*Provide a timeline for training all individuals identified in subsection (a)(2)(D)(i)-(iv) includes training provided throughout the crop year, and prior to the time the work is performed for new agents and loss adjusters. Employee, experienced agent and experienced loss adjuster training will be done concurrently on an annual basis.*

- (H) Describe the Company's plan for taking corrective, follow-up, or remedial actions when additional training does not correct the identified deficiencies.

*Provide the plan utilized by the company for determining when additional training does not correct an identified deficiency, and the plan for taking corrective, follow-up, or remedial actions for these types of situations. Such actions will be documented and implemented as applicable to the individual. For loss adjusters, claims will not be assigned until proficiency can be proven.*

(I) Describe the procedure for the Company to maintain, retain, and provide to FCIC upon request:

(i) The tracking and evaluations of the historical performance of individuals identified in subsection (a)(2)(D); and

*Provide a description of the process utilized by the company to track and evaluate the historical performance of individuals identified in subsection (a)(2)(D).*

(ii) Records of all corrective, follow-up, or remedial actions taken with respect to any individual identified in subsection (a)(2)(D).

*Provide a description of the process utilized by the company to record corrective, follow-up, or remedial actions with respect to any individual identified in subsection (a)(2)(D).*

(J) Contain a provision to conduct such other training that may be required by FCIC.

*Provide a description of the process utilized by the company to determine and conduct other training when required by FCIC.*

(3) An annual Training and Performance Evaluation Report (TPER) shall be submitted with the Company's Plan of Operations, in accordance with Appendix II. The annual TPER shall provide:

(A) An evaluation of each agent and loss adjuster. Such performance evaluation shall include a review of the loss ratios associated with such agent and loss adjuster and the number and type of any errors or omissions related to the compliance with obligations under the Agreement; and

*Provide the results of reviews conducted on each agent/loss adjuster identified on the anomalous agent/loss adjuster ARPA list provided by RMA and the results of any review conducted on any agent/loss adjuster or other person that was identified by the Company as not having a satisfactory work performance.*

(B) A report of any remedial actions taken by the Company to correct any error or omission or ensure compliance with the Agreement.

*Provide a description of the action(s) taken by the company relative to any individual who fails to meet the measurement standards specified in subparagraph (a)(2)(A).*

(b) Sales Training Curriculum and Requirements

- (1) The sales training curriculum developed by the Company shall include those eligible crop insurance contracts the Company will be selling or servicing in the States identified in the Company's Plan of Operations, in accordance with Appendix II, and include at a minimum (for new agents and employees performing functions relating to sales or service, comprehensive information on all of the following, and for experienced agents and employees performing functions relating to sales or service, comprehensive information on updates or changes in the following), sufficient information to make such individuals proficient in:
- (A) The meaning of the terms and conditions of the Common Crop Insurance Policy, Basic Provisions and applicable Crop Provisions, published at 7 C.F.R. part 457, and the other available plans of insurance such as the Group Risk Plan published at 7 C.F.R. part 407, the revenue insurance plans, pilot programs, and other plans of insurance found on FCIC's website at [www.rma.usda.gov](http://www.rma.usda.gov), and any changes thereto;
  - (B) All applicable endorsements, Special Provisions and options and any changes thereto;
  - (C) The benefits and differences between the applicable plans of insurance specified in subparagraph (A) and their suitability to farming conditions and operations in the relevant area;
  - (D) The actuarial documents and their use;
  - (E) The procedures applicable to the sales and service of eligible crop insurance contracts and any changes thereto;
  - (F) How to properly fill out and submit all applicable forms, documents, notices and reports;
  - (G) The requirements under applicable Federal civil rights statutes and methods to encourage program participation, including, but not limited to, participation of limited resource, women, minority, and underserved producers or in underserved areas;
  - (H) How to recognize anomalies in reported information and common indicators of misrepresentation, fraud, waste or abuse, the process to report such to the Company, and appropriate actions to be taken when anomalies or evidence of misrepresentation, fraud, waste or abuse exist;

- (I) Compliance with applicable laws and regulations governing business conduct and ethics, including, but not limited to, rebating prohibitions, conflicts of interest, and controlled business, etc.; and
  - (J) Any other requirements as may be established by FCIC.
- (2) The Company shall ensure the following:
- (A) Any new agent or other individual who solicits or otherwise promotes crop insurance sales on behalf of the Company shall participate in a structured training program on all of the items listed in paragraph (1) before selling or servicing any eligible crop insurance contract.
  - (B) Any experienced agent shall annually complete structured training, on updates or changes specifically related to the items listed in paragraph (1), or that are identified by FCIC or the Company where errors or omissions were identified during quality control reviews or processing of the sales related documents.
  - (C) All new agents shall pass a basic competency test before they can sell or service an eligible crop insurance contract (all testing records, including test results, shall be maintained in accordance with section IV(g) of the Agreement). Basic competency tests shall specifically relate to the items listed in paragraph (1) and determine the proficiency of the individual who completed the required training. Additionally, the Company shall review the test results and document follow-up training for any deficiencies identified.
  - (D) All agents shall retake and pass the basic competency test (in accordance with the standard established in subsection (a)(2)(A)(i)) every three years.
  - (E) If the agent was not employed by or did not contract with the Company in the previous year(s), the Company shall obtain, and make available upon request, documentation that the agent has passed the basic competency test within the past 3 years with another AIP.
  - (F) Proficiency is established by passing a written test meeting the standards of the TPEP, and maintaining satisfactory work performance during the respective crop year measured against the measurement standards established under subsection (a)(2)(A).

*Testing may be administered in person in a classroom setting or via online format.*

- (G) In addition, the agent is considered to maintain satisfactory work performance if the results of reviews to respond to producer complaints, State Departments of Insurance or FCIC inquiries, or other quality control reviews identify no material errors.
- (c) Loss Adjustment Training Curriculum and Requirements
- (1) The loss adjustment training curriculum developed by the Company shall include those eligible crop insurance contracts which the Company will be selling or servicing in the States, identified by the Company in its Plan of Operations, in accordance with section V(b) of Appendix II, and include at a minimum (for new loss adjusters, or employees performing functions related to loss adjustment, all of the following and for experienced loss adjusters or employees performing functions related to loss adjustment, updates and changes), sufficient information to make such individuals proficient in:
    - (A) The items listed in subsections (b), (1), (A), (B), (C), (D), (F), (H), (I), and (J);
    - (B) The procedures applicable to loss adjustment of eligible crop insurance contracts and any changes thereto;
    - (C) How to properly verify the accuracy of the information contained on applicable forms, documents, notices and reports;
    - (D) How to properly determine the amount of production to be used for the purposes of determining losses;
    - (E) The requirements under applicable Federal civil rights statutes; and
    - (F) Any other requirements as may be established by FCIC.
  - (2) The Company shall ensure the following for loss adjusters or employees that adjust or sign any claim for any eligible crop insurance contract:
    - (A) Any new loss adjuster shall participate in a structured training program on all of the items listed in paragraph (1) before signing any claim under an eligible crop insurance contract.
    - (B) Any experienced loss adjuster shall annually complete structured training on updates or changes specifically related to the areas listed in paragraph (1) or that are identified by FCIC or the

Company as errors or omissions discovered during quality control reviews or processing of the loss related documents.

- (C) All new loss adjusters shall pass a basic competency test (all testing records, including test results shall be maintained in accordance with section IV(g) of the Agreement) before signing any claim under an eligible crop insurance contract. Basic competency tests shall specifically relate to the areas listed in paragraph (1) and determine the proficiency of the individuals who completed the required training to accurately and correctly determine the amount of the loss and verify applicable information. Additionally, the Company shall review the test results and document follow-up training initiatives for any deficiency.
- (D) All loss adjusters shall retake and pass the competency test every three years.
- (E) If the loss adjuster was not employed by or did not contract with the Company in the previous year(s), the Company shall obtain, and make available upon request, documentation that the loss adjuster has passed the basic competency test within the past 3 years with another AIP.
- (F) Proficiency is established by passing a written test meeting the standards of the TPEP, and maintaining satisfactory work performance during the respective crop year measured against the measurement standards established under subsection (a)(2)(A).

*Testing may be administered in person in a classroom setting or via online format.*

- (G) In addition, the loss adjuster is considered to maintain satisfactory work performance if the results of reviews to respond to producer complaints, State Departments of Insurance or FCIC inquiries, or other quality control reviews identify no material errors.

(d) Minimum Hours of Training for Agents and Loss Adjusters

- (1) In order to sell or service any eligible crop insurance contract:
  - (A) A new agent or other applicable individuals (including any other individual who solicits or otherwise promotes crop insurance sales on behalf of the Company) must participate in a structured training program of at least 12 hours on all of the items listed in subsection (b)(1).

- (B) An experienced agent or other applicable individual must annually complete at least 3 hours of structured training on updates or changes specifically related to the items listed in subsection (b)(1), or that are identified by FCIC or the Company as deficient during the quality control reviews or processing of the sales related documents.
  - (C) All agents and other applicable individuals must pass a basic competency test before they can sell or service an eligible crop insurance contract (all testing records, including test results, shall be maintained in accordance with section IV(g) of the Agreement). Basic competency tests must specifically relate to the items listed in subsection (b)(1) and determine the proficiency of the individual who completed the required training to sell and service eligible crop insurance contracts. Additionally, the Company must review the test results and document follow-up training initiatives for any area of identified weakness on the part of any one or more individuals.
  - (D) All agents and applicable individuals must retake and pass the basic competency test every three years.
  - (E) If the agent or other applicable individual was not employed by or did not contract with the Company in previous years, the Company must obtain and have available upon request, documentation that the agent or other applicable individual has passed the basic competency test within the past 3 years with another AIP.
- (2) In order to adjust or sign any claim for any eligible crop insurance contract:
- (A) A new loss adjuster or other applicable individual must participate in a structured training program of at least 60 hours on all of the items listed in subsection (c)(1) (including at least 24 hours of classroom training).
  - (B) An experienced loss adjuster or other applicable individual must annually complete at least 16 hours of structured training (including at least 8 hours of classroom training), on updates or changes specifically related to the areas listed in subsections (c)(1) or that are identified by FCIC or the Company as deficient during the quality control reviews or processing of the sales related documents.
  - (C) All loss adjusters and other applicable individuals must pass a basic competency test (all testing records, including test results,

shall be maintained in accordance with section IV(g) of the Agreement). Basic competency tests must specifically relate to the areas listed in subsection (c)(1) and determine the proficiency of the individuals who completed the required training to accurately and correctly determine the amount of the loss and verify applicable information. Additionally, the Company must review the test results and document follow-up training initiatives for any area of identified weakness on the part of any one or more new loss adjusters or experienced loss adjusters.

- (D) All loss adjusters and other applicable individuals must retake and pass the competency test every three years.
- (E) The Company must obtain and have available upon request, documentation for any loss adjuster or other applicable individual that has passed the basic competency test within the past 3 years with another AIP to fulfill the requirements of this subsection.