

Part 5 STC Consultation

120 Overview

A
Background

The consultation process is a means for RMA and FSA to share and exchange FSA and RMA program information and to identify possible program areas of concern or discrepancies before they become effective. This information will include RMA crop program updates for existing programs, new programs, and program expansion. The consultation process will allow FSA the opportunity to review and make recommendations on policies, plans of insurance, and materials related to these policies or plans of insurance, including applicable final planting dates, assigned yields, and transitional yields (T-yields).

121 Responsibilities

A
RMA
Responsibilities

RMA shall designate an RO POC and an alternate POC to be responsible for the coordination of STC consultation requests with the FSA State Office POC.

B
RO POC
Responsibilities

RO POC shall:

- coordinate scheduling of requests with the State Office POC
 - provide a request of actions to be taken
 - provide State Office POC information for review in conjunction with the request for feedback
 - upon receipt of an STC recommendation, provide a response of actions taken
 - assign a tracking number to the consultation request and log request on AD-2006A (Exhibit 15) if initiated by RMA.
-

Continued on the next page

121 Responsibilities (Continued)

C
STC
Responsibilities

STC shall:

- if applicable, consult COC for input regarding requests for review of crop insurance program information
 - ***--not provide any data received from RMA to the private industry when requesting input--***
 - review compiled data gathered by the State Office POC
 - make recommendations to consultation requests submitted by RO POC
 - when aware of program vulnerabilities in their State, STC must notify the State Office POC to initiate recommendation process
 - identify, review, and recommend appropriate action to RO POC to change existing/proposed RMA T-yields, dates, practices, etc.
-

D
State Office POC
Responsibilities

The State Office POC shall:

- maintain communications with RO POC
 - coordinate scheduling of requests with RO POC
 - conduct a cursory review of the request provided by RO POC
 - complete fact finding
- *--Note:** The information provided by RMA is USDA internal use information. Do not provide any data received from RO POC to the public.--*
-

Continued on the next page

121 Responsibilities (Continued)

D

State Office POC Responsibilities (Continued)

- provide STC and RO POC with supporting documentation including any written justification as appropriate to address identified concerns
- present the request and findings of fact to STC
- document and forward STC recommendations to RO POC

Note: RO’s addresses and States served are located in Exhibit 16.

- provide RO POC with STC written responses citing no concerns identified when appropriate
 - assign a tracking number to the recommendation and log request on AD-2006A if initiated by STC or County Office.
-

E

COC Responsibilities

COC’s shall:

- review documents submitted by the State Office POC and provide recommendations on AD-2006

Note: See Exhibit 17.

- respond to requests for input according to the State Office POC schedule
- *--not provide any data received from the State Office POC to the public when requesting input

Note: This information is USDA internal use information.--*

- identify and initiate recommendations if problems or concerns are identified with the crop insurance program
 - when aware of program vulnerabilities in their county, COC must notify the State Office POC.
-

Section 1 RO Requests to FSA**122 Overview**

A**Background**

This section describes the process for which RO will request STC to review and evaluate RMA MPCl program information. This process also provides a mechanism for RO to share and exchange crop program information with STC.

123 Types of Consultation Requests

A**RMA
Consultation
Requests**

The type of requests submitted by RO to STC include but are not limited to the following:

- program dates

Examples: Sales closing date, final planting date, initial planting date, etc.

- RMA T-yields
 - statements (special provisions, MPCl crop policies, etc.)
 - existing crop program expansion
 - existing crop program deletion
 - farming practices and crop types/varieties
 - high-risk/unrated land.
-

124 Processing Consultation Request

**A
RO POC
Information**

RO POC shall:

- provide appropriate documentation and submit with AD-2006 (Exhibit 17) to the State Office POC
 - complete the issue and background (including the level of review and deadlines for completion)
 - inform the State Office POC of actions taken by RO as a result of the FSA recommendations.
-

**B
State Office POC
Information**

Regardless of where the AD-2006 request is initiated, the State Office POC shall:

- review the RMA request to determine whether all information is included for STC to review, evaluate, and provide a recommendation
- Note:** If the State Office POC determines additional information is needed, the State Office POC:
- may contact the County Office for additional or supporting information
 - will specify the information needed, appropriate format and deadlines.
- respond to the request by completing FSA State Office recommendations with supporting justification and documentation. See Section 3.
-

125-129 (Reserved)

Section 2 FSA Inputs to RO

130 Overview

A

Background

This section describes the process for which STC can initiate and recommend changes to RMA MPC I crop programs through the State Office POC. This process also provides a mechanism for the State Office to share and exchange crop program information with RMA.

131 Types of Consultation Recommendations

A

FSA**Consultation
Recommendation**

The type of recommendations submitted by STC to RO include, but are not limited to, the following:

- program dates

Examples: Sales closing date, final planting date, initial planting date, etc.

- RMA T-yields
 - statements (special provisions, MPC I crop policies, etc.)
 - existing crop program expansion
 - existing crop program deletion
 - farming practices and crop types/varieties.
-

132 Processing Consultation Recommendations

A

State Office POC Information

The State Office POC shall:

- if requested by STC, research and justify issue or concerns
- review issues and recommendations submitted by COC's/offices along with supporting documentation
- complete the issue and background (including the level of review and deadlines for completion)
- review the FSA County Office/Committee recommendation to determine if all information is included for STC to review, evaluate, and provide a recommendation. If the State Office POC determines additional information is needed, the State Office POC:
 - may contact the County Office for additional or supporting information
 - will specify the information needed, appropriate format and deadlines.

Note: Recommendations will be submitted through the State Office POC to the appropriate RO POC. Recommendations initiated by COC must be submitted to the State Office POC on AD-2006.

B

RO POC Information

RO shall inform STC of actions taken by RO as a result of the recommendation.

133-139 (Reserved)

Section 3 Documentation

140 Required Minimum Documentation in Support of Recommended Program Changes

A

Required Documentation

The County Office or STC shall use this table when initiating requests in support of recommended program changes on policies, plans of insurance, and materials related to these policies or plans of insurance. The State Office POC shall ensure that the minimum listed documentation associated to the type of program change is attached to AD-2006 in support of the recommendation.

Types of Requests Initiated by FSA	Minimum Documentation Needed in Support of the Program Change
Crop Expansion/Uninsured Practice/Type/Variety (P/T/V)	Type (for crop expansion) Practice Prices received (for crop expansion/type) Production history (yield per acre) Number of planted acres/producers Number of producers requesting insurance Market Evidence of adaptability
Planting Dates (Final/Initial)	Land grant universities Cooperative Extension Service Seed companies, etc.
RMA T-Yield	County yield history by P/T/V Cooperative Extension Service Land grant universities Other verifiable sources
Crop Program/P/T/V Deletions	Acreage trends Number of producers Loss of market/trends/processors

Note: For those types of requests initiated by RO for review, the State Office POC may contact RO POC for assistance as to the minimum supporting documentation required for the individual request. Additional documentation may be requested by RO POC from the State Office POC if further supporting documentation is required.

141-144 (Reserved)

Section 4 Timelines

145 General Timelines

A**Overview**

At a minimum, the State Office POC and RO POC shall meet annually to discuss crop program changes made for the current crop year and issues to be reviewed for subsequent crop years. Periodic meetings throughout the year may occur if deemed necessary to discuss work load and priorities.

146 RO Requests

A**RO Deadlines**

Deadlines for completion of FSA reviews and the submission of recommendations to RO POC's will be coordinated. These deadlines to the extent possible will ensure timely implementation of these recommendations. RO POC shall notify the State Office POC of the action taken within 60 calendar days of receiving the recommendation from the State Office POC.

147 FSA Recommendations

A**FSA
Recommendation
Deadlines**

FSA requests identifying crop program discrepancies and recommendations to correct such discrepancies can be initiated or submitted to RO POC at any time. Based on the nature of the request and findings, RO POC shall determine the appropriate action to be taken. RO POC shall notify the State Office POC of the action taken within 60 calendar days of receiving the recommendation from the State Office POC.

148-152 (Reserved)

--Section 5 RMA Program Deficiencies and Policyholder Alerts*153 General Procedure****A Background**

RMA maintains existing crop insurance programs and contracts for the research and development of new products. Pilot crop insurance programs are offered on a limited basis in selected States and counties. Crop programs and pilot programs are periodically evaluated by RMA, OIG, and GAO to determine whether there are deficiencies within the program. RMA may also review individual policyholders to determine if there are any inaccuracies with their insurance data that may be the result of the insured providing incorrect data or the company's failure to follow procedures.

B Purpose

This section provides procedure to:

- define RMA program deficiency and policyholder alerts
- advise FSA of probable RMA program deficiencies and policyholder alerts
- advise FSA of identified RMA program deficiencies and policyholder alerts
- identify FSA programs that may be impacted
- inform County Offices of corrective action.

C Definition of Program Deficiency

A program deficiency is defined as a defect in a crop insurance policy, procedure, or county actuarial document that result in excessive indemnities being paid to producers outside the authority of the Federal Crop Insurance Act as determined by RMA's Administrator.

D Definition of Policyholder Alert

A policyholder alert is defined as a problem, or potential problem, with a policyholder's insurance data that may result in payment being made to the policyholders outside the authority of the Federal Crop Insurance Act.--*

153 General Procedure (Continued)

***--E Identified/Probable Deficiencies and Policyholder Alerts**

RMA will provide States Offices with Reports of Probable and Determined Program--* Deficiencies and Policyholder Alerts identifying producers and associated counties with coding to identify RMA areas of deficiency and/or policyholder alert concerns.

Although the wording “sections” and “parts” may be used interchangeably when referring to codes, following are code definitions with required County Office actions.

Code	Definition	Action
Code 1	provides details on policies with final determinations by RMA but without corrections to the database. There is still an opportunity for appeal and further review although RMA Compliance has determined with some certainty that there is a problem with the policyholder’s insurance data.	FSA shall carefully review and compare RMA insurance data with FSA producer information. If the producer also participates in FSA programs, ensure that program payments are correct.
Code 2	contains information on RMA programs that RMA Compliance has identified as having potential or identified problems that could cause downloaded data to be in question.	County Offices shall review producer applications, if applicable, and request supporting documentation as necessary.
Code 3	lists policyholders for whom preliminary information indicates a problem may exist.	FSA shall not rely entirely on the RMA data at face value for these policyholders and shall verify the accuracy of each producer’s application and certification, if applicable.--*

154 Responsibilities

A RMA Responsibilities

When a probable program deficiency is identified, RMA shall:

- conduct analysis necessary to evaluate the deficiency after a preliminary assessment indicates that a potential problem may exist
- provide a preliminary notification of the crop program and counties that may be impacted to affected STC, with a courtesy copy to DAFP to ensure that FSA is aware that a probable program deficiency is being evaluated
- *--prepare a decision memorandum for the RMA Administrator providing the following:--*
 - the background
 - alleged program deficiency
 - assessment of issue
 - the amount of indemnities paid that are determined to be in excess of compensation authorized by the Federal Crop Insurance Act.

*--If the RMA Administrator determines that:

- there are no identified program deficiencies, RMA will notify the affected STC with a courtesy copy to DAFP
- there are identified program deficiencies RO will notify the affected STC in writing, using the memorandum in Exhibit 18, of identified program deficiencies with a--* courtesy copy to DAFP.

Notes: The written notification will include:

- explanation of program deficiency
- RMA data affected
- policyholders affected
- indemnity amounts determined to be excess.

RO shall FAX a courtesy copy of all written notifications to STC for a probable or proven program discrepancy to DAFP, at 202-690-2130.

When a policyholder alert is identified, RMA shall issue, on an as needed basis but at least quarterly, a list of all final determinations and policyholder alerts to STC using the memorandum in Exhibit 18.

--FSA County Offices shall follow subparagraph 153 D for required action.--

154 Responsibilities (Continued)

B FSA National Office Responsibilities

The FSA National Office shall perform the following responsibilities.

WHEN notified of...	THEN the FSA National Office shall...
a probable RMA program *--deficiency or policyholder alert	<ul style="list-style-type: none"> • determine whether any action is needed or appropriate • ensure that no producer's records are changed based solely on the initial notice of probable RMA program deficiency.
an identified RMA program deficiency or policyholder alert	determine impact on FSA programs.

C STC Responsibilities

When notified of a deficiency or policyholder alert, STC shall inform County Offices of--* the following:

- RMA program deficiency or handling policyholder alerts
- program impact
- corrective action.

D County Office Responsibilities

County Offices may request additional substantiating information from producers for any questionable information and shall ensure that corrective action is carried out.

155-159 (Reserved)