

IS-16-006

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Date

December 29, 2016

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Robert Ibarra Deputy Administrator for Insurance Services /s/ Robert Ibarra

12/29/2016

Subject

Agents Submitting Notice of Loss on the Policyholder's Behalf

Background

The Risk Management Agency (RMA) has identified isolated instances where agents have been submitting notices of loss for policies they have written, without prior notification from the policyholder. This practice violates the Federal Crop Insurance Corporation (FCIC) policy provisions and procedure, and the policyholder's rights under the terms and conditions of the policy. When a notice of loss is filed, it establishes timeframes and responsibilities of the policyholder and the approved insurance provider (AIP) in accordance with section 14 of the Common Crop Insurance Policy, Basic Provisions (Basic Provisions). Section 14 of the Basic Provisions states duties in the event of damage or loss, including the timeframes in which the policyholder must file a notice of loss.

Section 33 of the Basic Provisions states that all notices required to be given by the policyholder must be in writing and received by the crop insurance agent within the designated time, unless otherwise provided by the notice requirement. Paragraph 401 of the Loss Adjustment Manual, FCIC-25010, states it is the policyholder's

responsibility (not the Agent or the AIP) to provide any Prevented Planting or notice of loss for insurable acreage within the prescribed time stated in the Basic Provisions, endorsement or Crop Provisions.

Properly receiving and documenting a timely notice of loss protects the rights and responsibilities of the policyholder and allows the AIP to make timely assessments, determinations, and indemnifications. Documenting a timely notice of loss submitted by the policyholder is important for both the policyholder and the AIP in the event of loss or dispute.

Action

AIPs are reminded that it is the policyholder's responsibility to submit a notice of loss in accordance with the terms of the policy. This directive is considered a requirement of the Federal Crop Insurance Corporation for the purposes of section 1515(h)(2) of the Federal Crop Insurance Act. Any agent who submits a notice of loss that was not filed by the policyholder in accordance with the terms and conditions of the Basic Provisions will be considered to have violated this requirement.

DISPOSAL DATE:

This bulletin will remain in effect until superseded.