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Federal Crop
Insurance
Corporation



Risk Management
Agency



Insurance
Services

LARGE CLAIM STANDARDS HANDBOOK

FCIC-Approved Standards and Procedures for Handling Large Claims and Referrals for Insurance Services, Regional Offices (RO), and AIPs for the 2015 and Succeeding Crop Years.

FCIC-14040
(05-2014)

**RISK MANAGEMENT AGENCY
WASHINGTON, D.C. 20250**

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SUBJECT: Provides the procedures and instructions for administering Large Claim Reviews for the 2015 and succeeding crop years.	OPI: Risk Management Services Division APPROVED: /s/ Heather Manzano Acting Deputy Administrator for Insurance Services

REASON FOR ISSUANCE

This handbook provides FCIC-approved standards and procedures for handling large claims determinations. Insurance Services and all Regional Offices (RO) will use these standards and procedures when administering large claims determinations and making intra-agency referrals. AIPs will use this handbook when administering their duties in the Large Claim Review process.

LARGE CLAIM STANDARDS HANDBOOK

CONTROL CHART

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FILING INSTRUCTIONS

This handbook replaces FCIC-14040 Large Claims Handbook dated July 2010 and Informational Memorandum IS-11-001. This handbook is effective for the 2015 and succeeding crop years and is not retroactive to any 2014 or prior crop year determinations.

LARGE CLAIM STANDARDS HANDBOOK

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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 LCs, including:

- (1) Training;
- (2) AIP notification to RMA of potential LCs;
- (3) Completion of LC reviews;
- (4) Referrals of identified program vulnerabilities and suspected cases of fraud, waste, and abuse; and
- (5) Dispute resolution

This handbook remains in effect until superseded by reissuance of either the entire handbook or selected portions (through amendments, Manager's Bulletins, or FADs).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 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) 2014 (07-01-13) SRA Appendix I Section IV:

“As a condition of reinsurance and prior to commencing any loss adjustment activity, the Company agrees to comply with all provisions of FCIC's Large Claims Procedures, as applicable.”

1 General Information (Continued)

B. Source of Authority (continued)

- (7) 2012 Livestock Price Reinsurance Agreement (07-01-11) (LPRA) Appendix I Section IV:

“As a condition of reinsurance and prior to commencing any loss adjustment activity, the Company agrees to comply with all provisions of FCIC’s Large Claims Procedures, as applicable.”

and

- (8) FCIC Policy Provisions:

- (a) Common Crop Insurance Policy BP (11-BR), Sections 20 and 21.
- (b) ARPI Basic Provisions (14-ARPI), Section 23.
- (c) FCIC AGR Pilot Insurance Policy (2007-AGR), Section 13.
- (d) FCIC AGR-Lite Insurance Policy (07-AGR-Lite), Section 13.
- (e) Livestock Risk Protection Insurance Policy (10-LRP-Basic), Section 11.

C 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.

- (1) The Federal Crop Insurance Act, as amended (7 U.S.C. 1501 et seq.) (Act) 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 in the following order of precedence:
 - (a) SP; and
 - (b) Actuarial Map.
- (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. **Exception:** For ARH policies, crop provisions will take precedence over the ARH Endorsement.

1 General Information (Continued)

C. Order of Precedence (continued)

- (7) CP and any FAD interpreting the CP.
- (8) BP and any FAD interpreting the BP.
- (9) Administrative regulations at 7 CFR Part 400 and any FAD interpreting the administrative regulations.
- (10) Manager's Bulletins and any interpretation of procedures therein (refer to MGR 05-18, Interpretation of Procedures).
- (11) Prevented Planting LASH (FCIC-25370) and any interpretation of these procedures.
- (12) CIH (FCIC-18010) and other applicable underwriting guides for a specific commodity or plan of insurance and any interpretation of these procedures.
- (13) LAM Standards Handbook (FCIC-25010) and any interpretation of these procedures.
- (14) Crop LASH and any interpretation of these procedures.
- (15) Large Claim Handbook (LCH).
- (16) Product Management and Insurance Services Informational Memorandums.

2 Responsibilities

A AIP Responsibilities

- (1) The AIP will:
 - (a) Conduct screening activities in accordance with Part 4, paragraph 31A – AIP Large Claim Screening.
 - (b) Notify the applicable RO immediately upon receiving notice of a potential claim on an ECIC where the LC screening process indicates a production loss or indemnity is likely to exceed \$500,000, or such other amount determined by RMA, as directed in Part 4 paragraph 31 B – Initial Notification;
 - (c) Designate a point of contact for LC coordination according to Part 4 paragraph 31 C – AIP Point of Contact.
- (2) If the RMA RO elects to participate in a potential LC, the AIP will conduct the claim and all related activities in accordance with Part 4 paragraph 31 parts E-H under AIP Responsibilities.

2 Responsibilities (Continued)

A AIP Responsibilities (continued)

- (3) Resolve disputes between the AIP and RMA in accordance with Part 6 paragraph 45 – Dispute Resolution.

B RMA RO Responsibilities

- (1) The RO will:
 - (a) Establish a LC Selection Plan in accordance with standards and procedures in Part 3 paragraph 22 A – Large Claim Selection Plan;
 - (b) Review notices of a potential LC from the AIP in accordance with procedures in Part 4 paragraph 32 – RO Responsibilities and elect one of the following:
 - (i) Participate in the loss determination with the AIP before an agreement is reached with the policyholder and before payment; or
 - (ii) Decline participation in review of the claim. If the RO fails to respond to the AIP within three business days of receiving a notice of a potential LC, the AIP may proceed as if the RO declined participation.
- (2) If the RO elects to participate in the claims process, the RO will:
 - (a) Notify the AIP's point of contact within three business days of receiving a complete notice of a potential LC of the RO's election to participate in the loss determination of the claim;
 - (b) Assure the selected policy(s) are underwritten and adjusted according to RMA published policies, standards, and procedures;
 - (c) Assess the AIP's performance;
 - (d) Assess the effectiveness of the approved policies standards, and procedures and recommend changes;
 - (e) Identify instances of potential or suspected program fraud, waste, and abuse, or failure to follow policies, standards, and procedures and make appropriate referrals to RMSD for cases with issues which require follow up.
- (3) RO Directors will:
 - (a) Ensure all appropriate staff are certified and maintain certification for working with LCs according to Part 2;
 - (b) Maintain certification records for their staff;

2 Responsibilities (Continued)

B RMA RO Responsibilities (continued)

- (c) Develop, maintain, and ensure compliance with a LC Selection Plan according to Part 3 paragraph 22; and
- (d) Ensure that a minimum number of LCs, as determined by the DAIS, are selected for review.

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 LC reviews;
 - (b) Develop training standards and procedures as set forth in Part 2 paragraph 11 – Training Requirements;
 - (c) Assist the RO in preparing and conducting mediation or NAD appeals;
 - (d) Establish target deadlines for timely completion of LC reviews and monitor the progress of LC reviews.
- (2) Provide a written process for referrals as set forth in Part 5, paragraph 41 – Procedures for Written Referrals;
 - (a) Follow up on referrals and document outcome of referrals.
 - (b) Advance and coordinate recommended corrections for vulnerabilities identified in the Federal Crop Insurance program.
- (3) Perform administrative reviews.

3-10 (Reserved)

PART 2 TRAINING

11 RMA Employee Training Requirements

A Training Curriculum

Training curriculum must include, at a minimum, sufficient information to make RMA employees proficient in:

- (1) The meaning of the terms and conditions of the:
 - (a) Common Crop Insurance Policy BP;
 - (b) Applicable CP and SP;
 - (c) Other plans of insurance such as, but not limited to:
 - (i) Area Risk Plans of insurance;
 - (ii) Revenue Plans of insurance;
 - (d) Pilot programs; and
 - (e) All applicable endorsements and options and any changes thereto.
- (2) The differences between the applicable plans of insurance;
- (3) The actuarial documents published in the Actuarial Information Browser;
- (4) Applicable forms, documents, notices, and reports:
 - (a) Proper completion and submission process;
 - (b) Verification of the accuracy of information;
- (5) Recognizing anomalies in reported information and common indicators of misrepresentation, fraud, waste or abuse;
- (6) The appropriate actions to take when anomalies or evidence of misrepresentation, fraud, waste or abuse exist, and how to report such to RMA;
- (7) The procedural requirements applicable to adjustment of claims for RMA, and any changes thereto;
- (8) Proper determination of the amount of production or revenue to be used for the purposes of determining losses;
- (9) The requirements under applicable federal civil rights statutes;

11 Training Requirements (Continued)

A Training Curriculum (continued)

- (10) Other requirements as determined by RMA.

B Large Claim Certification

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

- (1) All RMA employees working with LCs must initially participate in a structured training program of at least 60 hours, including 24 hours of classroom training. To retain certification, employees are required to participate in 16 hours of structured training annually.
- (2) All RMA employees working with LCs must pass a basic competency test developed by RMSD to determine the proficiency of the person to accurately and correctly determine the amount of loss and verify applicable information. Employees must retake and pass the competency test every three years, and meet all other requirements as may be determined by the RO Director or RMSD.
- (3) RO Directors will:
 - (a) Verify RMA employees working with LCs have completed required training;
 - (b) Review the test results and document any area of identified weakness on the part of any employee working with LCs and;
 - (c) Ensure follow-up training initiatives are provided and completed for any area of identified weakness on the part of any employee working with LCs.

12 Training Sources

A Sources of Classroom and Field Training

- (1) The following are acceptable sources of classroom and field training that may be used to meet the training requirements for employees working with LCs.
 - (a) RMSD or Product Management provided training;
 - (b) USDA Graduate School;
 - (c) Relevant AgLearn courses;
 - (d) AIP adjuster schools or update training, specific for the area covered by the RO;

A Sources of Classroom and Field Training (continued)

- (e) National Crop Insurance Services (NCIS) meetings or schools specific for the region covered by the RO;
 - (f) University/Cooperative Extension schools, conferences, classes, or field days;
 - (g) Invited outside speakers – RO specific;
 - (h) Crop industry field days;
 - (i) LC training library such as presentations or crop/claims training modules;
 - (j) Insurance industry schools such as Insurance Institute of America;
 - (k) Other USDA agencies such as the FSA or NAD;
 - (l) State departments of agriculture;
 - (m) Crop Adjuster Proficiency Program;
 - (n) Certified Professional Crop Consultant program; or
 - (o) Commodity industry meetings.
- (2) In addition, for RO personnel, the following in-house training sources may be used to meet the training requirements.
- (a) Actuarial documents, policy, handbooks, bulletins and memorandums;
 - (b) Loss adjustment topic presentations; or
 - (c) RO personnel led field training.

NOTE: An instructor of in-house training will be granted credit for the in-house training they present.

B Training Library

The Training Library, which is available on the RMA GFP/LC SharePoint site, contains internal RMA training presentations. As RMA staff develops training materials for their particular needs, those materials may be placed in the Training Library. RMSD and the ROs will coordinate to populate the LC Training Library. Topics which may be submitted to the Training Library include:

12 Training Sources (Continued)

B Training Library (continued)

- (1) Crop Program Modules;
- (2) Training modules developed by the RO or Product Management for various crop specific policy provisions, LASH, or underwriting guides.
- (3) General Program Topic Modules;
- (4) LC Modules;
- (5) Loss Adjustment Modules;
- (6) Program Integrity Modules;
- (7) Case Studies;
- (8) Directives;
- (9) Correspondence;
- (10) Other:
 - (a) Center for Agribusiness Excellence training such as HyDRA, Dashboard, Maps, Weather Data or PRISM/RMA Weather and Climate Portal;
 - (b) Using GPS Camera such as documentation with photos, downloading, and filing; and
 - (c) Preparing for a NAD appeal.

13 Training Plans

The LC Coordinator and RO Director will establish a training plan using a mixture of the tools in paragraph 12 – Training Sources to ensure all RO staff assigned LCs are properly trained and maintain certification on an annual basis.

14-20 (Reserved)

PART 3 RMA SCREENING AND SELECTION

21 RMSD Considerations

RMSD will identify systemic program or AIP performance issues that may have national implications. RMSD will request that ROs participate in LCs involved with these issues. The requests will be provided to the RO prior to the beginning of the current claim season, or no later than April 1 of the current crop year. The recommendation(s) may be by AIP, by crop, or related to any other issue.

22 Large Claim Selection Plan

A RO Considerations

- (1) Each RO will create and maintain a LC Selection Plan.
- (2) The LC Selection Plan will address:
 - (a) General Considerations
 - (i) Reviewing a variety of AIPs, especially AIPs new to the region or program;
 - (ii) Previously identified systematic issues for a particular AIP; and
 - (iii) Past large claims participation for each AIP.
 - (b) Program Considerations
 - (i) New policies, procedures, and pilot programs;
 - (ii) Areas of probable/potential program vulnerabilities, such as changes in planting, crop, or management practices;
 - (iii) Unusual fluctuations in area loss ratios (not on an individual policy basis); and
 - (iv) Systemic issues identified for a particular crop policy or procedure.
 - (c) Regional Considerations
 - (i) Crop distribution to result in participation in a variety of crops; and
 - (ii) Geographical distribution to result in participation in a variety of areas.
 - (d) Seasonal Considerations
 - (i) The LC Selection Plan will address unique claim circumstances such as

A RO Considerations (continued)

Quality issues, disease, weather, market losses, etc.

- (ii) The LC Selection Plan should be specific in response to the above criteria, for example, prevented planting in a particular state.

- (e) Natural Disasters in the Region

B Plan Submission

A copy of the plan will be submitted annually to RMSD by May 1 to take effect with the next crop year. For example, a LC Selection Plan submitted on May 1, 2015 would take effect for the 2016 crop year for all crops.

23-30 (Reserved)

PART 4 LARGE CLAIMS PROCESS

31 AIP Duties

A AIP Large Claim Screening

- (1) AIPs must determine whether a notice of potential claim will likely result in a production loss or indemnity exceeding the \$500,000 threshold, or such other amount determined by RMA.

Examples may include:

- (a) Field visits and communications with the policyholder or others to collect production loss and cause of loss information;
 - (b) Performing appraisals to ascertain an estimate of the production potential; and
 - (c) Verification of information provided by the policyholder that an insurable cause of loss has occurred.
- (2) During the screening process, AIPs must **NOT**:
 - (a) Make any final determinations of the amount of loss;
 - (b) Release the acreage for other use;
 - (c) Reach an agreement with the policyholder as to appraisals, the amount of uninsured causes, production to count, or the amount or cause of loss;
 - (d) Allow loss adjusters or the policyholder to sign any production worksheets or appraisal worksheets; or
 - (e) Notify an RO of potential large claims based solely on the policy's total liability.
- (3) Other than performing activities related to the screening process, AIPs must not conduct any loss adjustment activity without first coordinating such activity with the RO, unless:
 - (a) Authorized by the RO if the RO is participating in the claim process; or
 - (b) Three business days from the date the notice was sent to RMA have elapsed without a response from the RO.

B Initial Notification

After screening, the AIP must immediately notify RMA of a potential LC on an ECIC which is likely to exceed \$500,000, or such other amounts as determined by RMA, in production loss or indemnity. The notification:

- (1) Will be sent to the attention of the RMA RO Director for the region where the insured acreage is physically located;
- (2) May be sent by facsimile or e-mail (use the general RO e-mail address if e-mailing the notification);
- (3) Must be clearly identified as a “Potential Large Claim Notice”;
- (4) Must include the following:
 - (a) Policyholder’s name;
 - (b) State and County code;
 - (c) Policy number;
 - (d) Claim number, if applicable;
 - (e) Crop (for AGR and AGR-Lite policies, include the crop(s) damaged, and whether the policyholder is a fiscal or calendar year filer);
 - (f) Insurance plan;
 - (g) Unit numbers and number of acres affected;
 - (h) Cause of loss and date of damage as reported on the notice of loss;
 - (i) Estimated indemnity (for revenue protection plan, use the projected price as a basis for the estimate unless the harvest price has been announced);
 - (j) Intended use for the damaged acreage;
 - (k) Total liability (or estimated liability for claims if before ARD); and
 - (l) Companion contracts, if known.

IMPORTANT: Notifications received after close of business of the RO, or on any day the RO is officially closed, will be considered as having been received the next business day.

B Initial Notification (continued)

- (5) If the AIP fails to send the RO the required information, the RO may request additional information or will not accept the potential LC, giving the reason(s) for the rejection. The AIP then must:
 - (a) Complete the screening process if it has not been done; and
 - (b) Resubmit the potential LC notice with all required information.
- (6) If the AIP discovers, at any time after the initial screening, that an ECIC will likely exceed \$500,000 in production loss or indemnity, or such other amounts as determined by RMA, due to a subsequent loss, the AIP must immediately report the claim to RMA using the initial notification process.

C AIP Point of Contact

The AIP will designate a person as the point of contact for LC coordination who is responsible for coordinating all loss adjustment activities with the RMA RO LC Coordinator or LC Team Member.

D RMA RO Declines Participation in Initial Notification

If the RO exercises its option to not participate in the LC:

- (1) The RO will notify the AIP that it may proceed with all aspects of the loss determination for the claim without any further notification to the RO.
- (2) If the RO declines participation in a LC, the AIP is not required to notify the RO of any subsequent losses that exceed the LC threshold for that ECIC.
- (3) If the AIP suspects fraud, waste, or abuse, the AIP should follow the procedures set forth in the SRA, Appendix IV, Section IV and Part 5 paragraph 41 D – Referrals for Suspected Cases of Fraud, Waste, and Abuse of this handbook.

E RMA RO Elects to Participate in a Large Claim

If the RO elects to participate in a potential LC, the AIP must:

- (1) Collaborate with the RO representative working the claim;
- (2) Provide a copy of the claim file and all policy documents to the RO;
- (3) Participate in a meeting or conference call with the RO to review the LC process and develop a plan for the field review (see paragraph 32 E (1)) – Large Claim;
- (4) Participate in an entrance conference with the RO and the policyholder;

E RMA RO Elects to Participate in a Large Claim (continued)

NOTE: This conference may occur at the start of the initial field visit if the policyholder will be present. However, the timing of the meeting, whether in the field or by phone, should be prearranged with the RO staff.

- (5) Notify the RO before scheduling any loss adjustment activity, including field inspections, so the RO representative may participate;
- (6) Obtain all necessary documents from the policyholder to complete the claim in compliance with all regulations and procedures;
- (7) Submit claim documents to the RO for review, approval, and signature;

NOTE: If there is a dispute between RMA and the AIP with respect to RMA's determination of a loss, the AIP will pay the claim in accordance with FCIC's approval, but retains the right to dispute RMA's actions in accordance with the administrative appeals procedures found in 7 CFR part 400.169.

- (8) Participate in an exit conference with the RO and the policyholder to review the claim and obtain the policyholder's signature on documents; and
- (9) Process the claim and report information to RMA PASS in accordance with 31 I – Policy Acceptance and Storage System Reporting.

F Conduct Mandatory Actual Production History (APH) Reviews

The SRA Appendix IV, CIH and LAM are used by the RO and AIP for APH procedures and APH review requirements.

- (1) The AIP must review APH records in accordance with the SRA Appendix IV in conjunction with Section 21 of the BP. If acceptable records as obligated under these procedures are not provided, the APH must be corrected in accordance with approved policy and procedure.
- (2) AIPs must ensure that FCIC established procedures are applied for both loss and non-loss units.
- (3) The AIP will forward a copy of all documents used for the review to the RO.

G Communicating with the Policyholder

- (1) AIPs are responsible for communications with the policyholder. If RMA elects to participate in the claim, the AIP must:

G Communicating with the Policyholder (continued)

- (a) Inform the policyholder of RMA's review and participation in the loss determination;
 - (b) Assign a loss adjuster or AIP representative who will be responsible for contacting the policyholder to:
 - (i) Set up an entrance conference with RMA participation;
 - (ii) Arrange farm access and time for loss adjustment activities as appropriate;
 - (iii) Obtain production records and any other documents necessary for completing the claim and any associated APH review; and
 - (iv) Set up an exit conference with RMA participation; and
 - (c) Update the policyholder on the status of the claim at regular intervals.
 - (i) The frequency of communication will depend on the circumstances of the claim. A minimum communication interval should be decided upon during the entrance conference. A communication interval of at least once every 45 days is recommended.
 - (ii) The update may be in the form of a conference call involving the AIP, RMA RO, and the policyholder, or may be in written form as a letter or e-mail. All written communication must adhere to the requirements in the following section.
- (2) Written communication
- Any written communication the AIP intends to send to the policyholder regarding the claim review or loss determinations must be sent to the RMA RO, or RMSD, for approval before it is sent to the policyholder.
- (a) The RO or RMSD must respond to the AIP in writing with approval or disapproval of the communication.
 - (b) If the RO or RMSD disapproves of the communication, reasons for the disapproval will be given in writing and the AIP and RO/RMSD representatives will work together to resolve the cause of the disapproval. In the event that a resolution cannot be reached, the AIP will send the written communication as determined by RMA.
- (3) All communication with the insured (verbal and written) should be documented in a special report or factsheet.

31 AIP Duties (Continued)

H Policy Acceptance and Storage System (PASS) Reporting

The AIP must report the action taken by RMA on the applicable record to PASS in accordance with Appendix III of the SRA. Records that are part of a potential claim on an ECIC, the Large Claim Flag must be:

N = AIP notified RMA of excessive indemnity and RMA did not participate in the determinations; or

R = RMA participated in loss determinations or reviewed loss determinations before payment.

I Ensuring Compliance with Large Claim Review Requirements

RMA recommends the AIPs involve field supervision early in the LC process to ensure review requirements are met. If RMA determines that all requirements have not been met, RMA will take appropriate action as authorized under the SRA.

32 RMA RO Duties

A Preliminary Review

If the potential large claim notice is incomplete, the RO may request additional information or it will not accept the potential LC, giving the reason(s) for the rejection. The RO will notify the AIP of the missing information in writing and request the AIP submit the information (see paragraph 31 A(5) – AIP Large Claim Screening). If the AIP fails to send the RO the required information, the RO should notify RMSD for further action.

B Election to Participate or Decline

If the potential large claim meets the criteria established in the RO's LC Selection Plan, and the notice is complete (requirements are listed in paragraph 31 B – Initial Notification), the RO will conduct a preliminary review according to the following procedure to determine if the RO will participate in the loss determination.

(1) Gather the following information:

- (a) Policyholder information.
- (b) APH, if applicable.
- (c) Center for Agribusiness Excellence producer score from the Producer Scoring database. A high producer score may indicate individual policy holder issues.

B Election to Participate or Decline (continued)

(d) Claim information as required under paragraph 31B – Initial Notification.

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) Contact the RMA RCO to determine if the RCO or the Special Investigations Branch has an ongoing review or investigation with the policyholder. The RO will consider not participating in the claim if there is an ongoing review or investigation for the current year.

NOTE: If the Special Investigations Branch is investigating a policyholder suspected of wrongdoing, the AIP and RMA are prohibited from paying a claim until the investigation is concluded.

- (3) Review findings with the RO Director, RO Deputy Director, LC Coordinator or designee.

(a) If electing to decline participation in the loss determination, go to step 4.

(b) If electing to participate in loss determination, go to step 5.

- (4) If electing to decline participation in the loss determination:

(a) The RO should notify the AIP according to subparagraph 32 C –Notifying AIP of RO Election with a cc to the RO Director, Deputy Director, the crop and LC team member(s), or other notification as determined by each RO Director.

(b) The RO will log participation decision on the LC/GFP Tracking System.

C Notifying the AIP of RO Election

- (1) The RO will notify the AIP, in writing, of its decision within three business days of receipt of a complete potential LC notice.

(a) If the RO is closed for any reason when the response is due, the deadline for a response will be extended to the next business day.

(b) The RO will provide the name of the contact person in the response to AIP.

(c) When the RO declines to participate, the RO will notify the AIP that they may proceed with all aspects of the loss determinations for the claim.

- (2) If the RO fails to respond to the potential LC notification within three business days of receiving a complete notification, the AIP may proceed with normal loss adjustment activity.

D Recording Large Claim Information

- (1) The RO must enter the LC information in the LC/ GFP Tracking System.
 - (a) If the RO declines participation in the LC, the RO must log the AIP potential LC notice information and the RO participation decision in the LC/GFP Tracking System.
 - (b) If the RO elects to participate in the LC, the RO must:
 - (i) Log the AIP potential LC notice and the RO participation decision;
 - (ii) Log the cause(s) of loss and date(s) of loss and intended use;
 - (iii) Log correspondence with the AIP and policyholder;
 - (iv) Maintain an ongoing review log with associated costs;
 - (v) Log the review decision and final indemnity;
 - (vi) Log any referral to RMSD; and
 - (vii) Calculate cost savings, as applicable.
- (2) The RO will create and maintain records in accordance with Exhibit 5 -Guidelines for Supporting File Records.
- (3) The RO will create an electronic file for each LC review on the RMA GFP/LC SharePoint site to store documents related to the LC review. The GFP/LC SharePoint site will be a repository for:
 - (a) All documents reviewed or created during the LC process, converted to PDF format, to include, but not limited to:
 - (i) Interview and telephone records;
 - (ii) Entrance and exit conference agendas and notes;
 - (iii) Field notes and pictures;
 - (iv) LC Review Decision Letter;
 - (v) Copy of e-mail records; and

D Recording Large Claim Information (continued)

- (vi) All correspondence received from the policyholder or the policyholder's representative.
- (b) In preparation for uploading documents to the GFP/LC SharePoint site, the RO should create a file on their internal S: network drive for each LC review. Hard copy documents should be scanned into this file. Electronic documents should be converted to PDF format and saved/copied to this file.

E RO Large Claim Involvement

- (1) The RO must hold an in-person meeting or teleconference with the AIP. The RO will:
 - (a) Participate in an interview with AIP adjuster and/or representative to review the LC process and develop a plan for the entrance conference with the policyholder and a field review. Explain that the RO representative will collaborate and participate fully and equally in working the claim with the AIP, including making appraisals, conducting the APH review and signing claim documents.
 - (b) Request a briefing from the AIP adjuster on expected issues, difficulties, and other pertinent policyholder file information.
- (2) The RO will request the entire loss and underwriting file from the AIP, gather materials, and review the following:
 - (a) The AIP Claim File (items not available from RMA Tracking System);
 - (b) Mandatory APH Review;
 - (i) The RO will review mandatory APH review files completed by the AIP as required by the SRA or FCIC issued procedure.
 - (ii) Completion of the LC review requires determination that 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 SRA (Appendix IV), BP, CIH, and LAM are used by the RO and AIP for APH procedure and APH review requirements.
 - (c) Unit Structure, Pre-Acceptance Inspection, legal description, acreage report, and loss experience, as applicable;
 - (d) Insurability of all acreage in the unit(s) involved; and

E RO Large Claim Involvement (continued)

- (e) Special underwriting actions; e.g., Written Agreements, Added Land, etc.
- (3) Entrance Conference with Policyholder
 - (a) The RO will participate in a meeting or conference call with the AIP and policyholder. At a minimum, this meeting agenda should include:
 - (i) An explanation of RMA's involvement in the loss determination;
 - (ii) An explanation of the LC process;
 - (iii) A review of the cause of loss;
 - (iv) A list of the documents that the policyholder will be expected to provide to complete the loss determination and any associated APH review, as applicable; and
 - (v) A plan for keeping the policyholder informed of the claim status.
 - (b) The policyholder should be advised that additional documents may be requested as a result of findings in the reviews.
- (4) Keeping the policyholder informed
 - (a) The AIP will inform the policyholder of RMA involvement and contact the policyholder in accordance with subparagraph 31 G – Communicating with the Policyholder.
 - (b) Regularly scheduled communication between the RO LC representative, AIP and policyholder may prevent the review from stalling. The time interval for communication of the status of the claim should be agreed upon with the policyholder at the entrance conference. It is recommended that the interval be no longer than 45 days.
 - (c) RMA will review and approve all written communication between the AIP and the policyholder regarding the loss determination in accordance with procedures set forth in subparagraph 31 G (2) before it is sent to the policyholder.
- (5) Forms and documentation

The RO representative will ensure the Claim Checklist, Remarks and Field Notes, and Interview/Telephone Record are completed as appropriate (see Exhibit 3).

E RO Large Claim Involvement (continued)

(6) The Exit Conference

- (a) The RO will participate in a meeting or teleconference (Exit Conference) with the policyholder and AIP prior to signing off on the Decision Letter for the LC review.
 - (i) While this Exit Conference can usually be accomplished via telephone, there may be adverse or controversial cases that merit a face-to-face meeting.
 - (ii) In all cases when it is determined that an in-person visit with the policyholder to discuss an adverse finding is necessary, the RO must accompany the AIP.
- (b) The Exit Conference includes a review of:
 - (i) Final loss determinations (prior to AIP and RMA sign-off).
 - (ii) Findings of facts and issues when signing Production Worksheet(s).
- (c) The policyholder should be given at least 10 calendar days to provide additional information before issuing the LC Review Decision Letter.
 - (i) Reasonable extensions to provide additional information may be documented and granted in writing.
 - (ii) Policyholders may choose to waive the 10 calendar days if they have no additional information and want the indemnity released sooner. Verbal waivers may be given during the exit conference and recorded in the meeting notes.
- (d) Controversial Claim Procedure

In the event the policyholder does not agree with the determinations made during the LC review, the AIP and RO must follow the Controversial Claim procedures outlined in Part 4, Section 1, of the current LAM.

This procedure must be followed in order to document the policyholder's claim and to establish the date of interest accrual. The BP, Section 26 (Interest Limitations), states:

“We will pay simple interest computed on the net indemnity ultimately found to be due by us or by a final judgment of a court of competent jurisdiction, from

E RO Large Claim Involvement (continued)

and including the 61st day after the date you sign, date, and submit to us the properly completed claim on our form.”

- (7) Issue a Decision letter in accordance with the template provided in the LC Review Decision Letter Template (Exhibit 7).
 - (a) Following the 10 calendar days the policyholder has to provide additional information, or following receipt and review of additional supporting claim documentation, the RO:
 - (i) Completes the final draft LC Review Decision Letter; and
 - (ii) Obtains the AIP’s comments and written concurrence on the final draft LC Review Decision Letter and requests that the AIP calculate, verify and complete any change(s) in APH, determined acres, guarantee, and indemnity due prior to issuance of the letter.
 - (b) Deliver the LC Review Decision Letter by certified mail or overnight delivery (signature required) to the policyholder within 15 business days of the Exit Conference. The Decision Letter should include:
 - (i) Copies of signed production worksheets and proof of loss;
 - (ii) Revised APH, if applicable, prepared by the AIP; and
 - (iii) A stamped, self-addressed envelope or overnight delivery service return delivery envelope for the policyholder to return any necessary signed documents, if applicable.
 - (c) Upload a copy of the signed LC Review Decision Letter with exhibits, in PDF format, to the GFP/LC SharePoint site.
- (8) Officially Close the LC:
 - (a) The file may be closed after:
 - (i) The policyholder has completed an administrative review, mediation, and/or an appeal; or
 - (ii) The time period for the policyholder to request an administrative review, mediation, and/or appeal has expired.
 - (b) The RO must record the results of the claim activity in the LC/GFP Log.

E RO Large Claim Involvement (continued)

- (c) The RO must complete the uploading of all files, records, and pictures to the GFP/LC SharePoint site in accordance with Exhibit 4 – Electronic File Organization.
- (d) After the file has been closed, document “lessons learned” in the hardcopy and electronic file, with a copy to RMSD, and debrief the LC team (including RO Director and Deputy Director).
- (e) Develop any referrals in accordance with the Large Claim Referral Procedures contained in Part 5.
- (f) The RO must calculate cost savings, if any, for the current claim where a misapplication of policies or procedures was identified. Cost savings may result if RMA modified, revised or corrected a claim during review prior to the AIP reaching agreement with the policyholder or prior to the AIP making payment to the policyholder on the claim. The RO should not include any savings addressed by the AIP through the AIP’s normal responsibilities. Calculate the cost savings with the following steps:
 - (i) For the premium: Begin with the guarantee and premium established by the acreage report, PIVR, or summary of coverage. Compute the revised premium based on the revised guarantee. Subtract the corrected or revised premium from the initial premium.
 - (ii) For the indemnity: Begin with the amount of indemnity initially calculated by the AIP and subtract the corrected or revised amount.
 - (iii) The sum of i and ii above are the cost savings for the claim.
 - (iv) Report the cost savings on the LC/GFP Tracking System by fiscal year identified with one of the following categories:
 - 1 Reporting error corrected by RMA when not detected or identified by the AIP (i.e., APH revisions, acreage measurements, etc.)
 - 2 AIP error or malfeasance in the application of FCIC-issued policies, standards, and procedures.
 - 3 AIP failure to identify, discover, or pursue supporting evidence.

NOTE: Cost savings are not counted for any claim where no adjustments or corrections are made.

E RO Large Claim Involvement (continued)

- (9) Other program benefits of LC participation will be captured and reported. Such benefits are the number of referrals in the following areas to appropriate RMA divisions pertaining to:
 - (a) Policy or procedural vulnerability;
 - (b) Recommendations for procedural changes;
 - (c) Systemic misapplication in the use of FCIC-issued policies, standards, and procedures; and
 - (d) Suspected fraud, waste, or abuse.

F Large Claim Files

- (1) The RO will maintain a Chronology of Events Log to document the events of the LC.
 - (a) The log includes dates of loss notices, written correspondence, meetings, field visits, phone conversations, and all other correspondence with the stakeholders.
 - (b) The log may be maintained and updated electronically and posted in the case folder on the GFP/LC SharePoint site when the LC begins.
- (2) The LC Case File Organization Procedure will be used to develop the claim case file, including exhibits, photographs, related documentation and LC Review Decision Letters (see Exhibit 4, Exhibit 5, and Exhibit 6).

33 Clarification of FCIC–Issued Policy and Procedure

A AIP Inquiries

- (1) Regulations published at 7 CFR part 400, subpart X, provide the procedures for requesting written interpretations of the Federal Crop Insurance Act and regulations such as the Basic Provisions and various Crop Provisions. However, written interpretations of FCIC issued procedures are not covered by subpart X.
- (2) For interpretations of the meaning or applicability of procedure, prepare the request according to the criteria for requesting an interpretation in MGR-05-018, dated October 7, 2005, “Requesting a Written Interpretation of FCIC Procedures under Section 20 of the Common Crop Insurance Policy Basic Provisions.”
- (3) The AIP must notify the policyholder of a request for interpretation and give them the opportunity to also submit an interpretation request. If the policyholder decides to submit an interpretation request, it should accompany the AIP submission as a joint request of interpretation of procedure.

B RMA Inquiries

- (1) Understanding the meaning and the proper application of FCIC-issued policies, standards, and procedures is critical for successful claim participation, documentation of claim determinations, and defense of the RO decision through mediation, administrative review, NAD appeal, and judicial review.
- (2) All RO questions or issues requiring clarification, explanation or interpretation of policies or procedures for LCs reviews will be directed to RMSD. RMSD will develop the request for clarification, explanation or interpretation and submit it to the Deputy Administrator for Product Management (DAPM) in accordance with MGR-05-018 or 7 CFR part 400, subpart X.
 - (a) When the response is received from DAPM, RMSD will then provide a written response to the RO who made the inquiry. Verbal responses, e-mail, or phone conversations conducted outside this process are not adequate support for RO determinations.
 - (b) The RO must notify the policyholder and AIP of the intent to submit a request for interpretation and give them an opportunity to also submit an interpretation request. Submit any requests for interpretation of the same procedure together as a joint request of interpretation of procedure.
- (3) If OGC legal sufficiency is needed, RMSD will coordinate this effort. If the case is forwarded by RMSD to OGC for legal sufficiency review, all pertinent information related to the final decision will be included in the RO's LC Review Decision Letter unless otherwise specified by OGC.

34-40 (Reserved)

PART 5 REFERRALS

41 Procedures for Written Referrals

A Background

In the normal course of performing RO duties and responsibilities related to the review of LCs, situations arise that require referral 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 the RMSD and RMSD 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 the appropriate division with a copy to the RMSD.

B Referrals of Program Vulnerabilities for Policy or Procedural Changes

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

Referrals of program vulnerabilities for policy or procedural changes that arise from participation in a LC review 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; and
- (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) State the negative program impact that is occurring due to the condition; and
- (b) State 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

State a suggested solution for the problem or improvement for the situation. Include specific language, if possible.

(5) Analysis and assessment

- (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 Product Management staff; and
- (b) State 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 can be 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 through the DAIS.

(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.

C Referrals for Systemic AIP Performance Issues (continued)

- (b) Condition – the situation or problem itself.
 - (i) Describe the discrepancy and who is alleged to be responsible; and
 - (ii) Include documents relevant to the discrepancy as exhibits.
- (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
 - (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 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; and
 - (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

During the course of conducting LCs 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 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.

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

(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.

(c) Condition

(i) Describes the discrepancy and who is alleged to be responsible; and

(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.

(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 claim review, etc.

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

- (2) ROs cannot delay a LC review determination unless notification is received from the RCO indicating that OIG has officially opened an investigation regarding the case or is conducting an investigation of a prior year's claim for which policy holder wrongdoing is suspected.
 - (a) Refer to FAD-078 at www.rma.usda.gov for additional guidance.
 - (b) ROs cannot approve a claim for indemnity until all necessary information to support the indemnity payment is received. When fraud is suspected, it is necessary to wait for the verification of information before authorizing an indemnity.
- (3) RMA reviewers are not to opt out of or terminate a LC review after accepting a large claim for review or when they identify instances of noncompliance with FCIC-issued policy and procedure after having accepted a large claim for review.
- (4) ROs will provide written updates to the referral when additional information becomes available.

E RMA Regional Compliance Office Responsibilities

- (1) Cases referred by RMSD to Compliance 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 LC determination or other RO function as soon as it becomes available.
- (3) DAC is responsible for referring appropriate cases to the 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 the OIG case(s).
- (4) Cases **must** be referred to the 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.

41 Procedures for Written Referrals (Continued)

E RMA Regional Compliance Office Responsibilities (continued)

- (5) OIG involvement.
 - (a) The OIG determines whether to accept the case for investigation based on consultation with the Department of Justice. Once a case is accepted by the OIG, all subsequent administrative actions pertaining to the case must be coordinated with the OIG.
 - (b) RCO Directors will inform the referring parties of any actions deemed necessary by the OIG and ensure administrative actions do not interfere with the 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 the OIG declines to investigate a matter referred to them, the OIG will advise Compliance to take any administrative actions determined to be appropriate.

42-44 (Reserved)

PART 6 DISPUTE RESOLUTION

45 Dispute Resolution

A General Information

- (1) If there are any disputed or unresolved issues between RMA and the AIP regarding a loss determination during RMA's review or participation in such loss determination, such disputes or unresolved issues:
 - (a) Will be elevated to the AIP's National Claims Manager and RMA's RMSD Director.
 - (b) Will not, without RMA concurrence, be discussed in the presence of the policyholder or anyone else outside of RMA or the AIP.
- (2) If there is a dispute between RMA and the AIP, with respect to RMA's determination of a loss, the AIP will pay the claim according to RMA's written approval. The AIP retains the right to dispute RMA's actions in accordance with administrative appeals procedures found in 7 CFR § 400.169.
- (3) When RMA elects to participate in the loss determination, or modifies, revises, or corrects a claim during review prior to the AIP reaching an agreement with the policyholder or prior to the AIP making payment to the policyholder on the claim:
 - (a) If the policyholder disputes the claim, the policyholder's dispute on the RMA modification, revision or correction will be with RMA.
 - (i) The policyholder may request administrative review, mediation, or appeal to NAD in accordance with section 20(e) of the BP.
 - (ii) The AIP must provide RMA with cooperation and assistance as needed in any dispute with the policyholder.
 - (iii) The policyholder may not bring arbitration, mediation or litigation action against the AIP in regards to the settlement of the claim.

A General Information

If the policyholder does not agree with RMA's decision, the policyholder has a right to request an administrative review of the RMA decision within 30 calendar days of receipt of the LC Review Decision Letter in accordance with 7 CFR part 400, subpart J, by providing the required information to the RMA DAIS at:

Deputy Administrator for Insurance Services
USDA/RMA/Insurance Services/STOP 0801
ATTN: LARGE CLAIM ADMINISTRATIVE REVIEW
1400 Independence Avenue SW
Washington, D.C. 20250-0801

First class mail to Washington, D.C. is often delayed for security measures. Participants are encouraged to send information by a delivery service that records pickup or postmark, and records and guarantees delivery.

B Processing Requests for an Administrative Review

- (1) If the policyholder requests a LC Administrative Review, RMSD will notify the RO of the request.
- (2) RMSD will review the GFP/LC SharePoint documents filed by the RO and if necessary contact the RO, the policyholder or AIP for additional information or documentation.
- (3) RMSD conducts its review, prepares an Administrative Review Decision Letter, with all cited Exhibits attached to the letter. Prior to the DAIS signature, RMSD will debrief the RO as to its decision.
- (4) RMSD will send the Administrative Review Decision Letter and Exhibits to the policyholder in accordance with PII requirements via certified mail or overnight delivery service. The RO and AIP will also receive a copy of the Decision Letter (usually via email).
- (5) RMSD will scan, name, and upload the signed Administrative Review Decision Letter and any new additional information generated by RMSD or received during the review to the GFP/LC SharePoint site.

47 Mediation

A General Information

- (1) If the policyholder does not agree with RMA's decision, they have a right to request mediation of the RMA decision within 30 days from receipt of the LC Review Decision Letter. The policyholder may seek mediation in addition to administrative review.

- (a) Sample language for LC Review Decision Letter:

***Request mediation** of the FCIC decision within 30 calendar days from receipt of this letter by writing to the [RO] Director at:*

(Name of RO Director)

(Regional Office Name)

(Address)

ATTN: MEDIATION REQUEST

- (b) The mediation service generally requests the participant to include a copy of the LC Review Decision letter with the request.
 - (c) Although the policyholder has a right to seek both administrative review and mediation, they cannot occur at the same time. If both mediation and administrative review are requested at the same time, the administrative review will be held in abeyance until the conclusion of mediation.
 - (d) The RO must notify RMSD if a policyholder requests mediation for a LC determination.

48 Appeal

A General Information

- (1) If the policyholder does not agree with RMA's decision they have a right to request an appeal. Sample language for LC Review Decision Letter:

***Request an appeal** within 30 calendar days from receipt of the Large Claim Review Decision Letter in accordance with 7 CFR part 11, by writing directly to the National Appeals Division (NAD) at the following address:*

Regional Assistant Director

National Appeals Division

(Address)

NOTE: For the regional NAD Office mailing address, refer to the NAD website at:

www.nad.usda.gov/

A General Information (continued)

- (2) Nothing precludes a policyholder from electing both an administrative review and mediation. If the policyholder elected to utilize the administrative review and/or mediation, the policyholder can still appeal to NAD after the receipt of the administrative review or completion of the mediation, whichever is later.
 - (a) If the administrative review or mediation concludes with a different decision, then the policyholder has 30 days from receipt of the decision to request an appeal from NAD. Additionally, this modified decision becomes the new adverse decision that is appealable to NAD.
 - (b) If the administrative review or mediation supports RMA's original decision, the policyholder will have only the remaining time from the 30 days from receipt of the LC Review Decision Letter to appeal to NAD after the conclusion of the administrative review or mediation, whichever is later. In this case, since the original adverse decision was upheld, it remains the decision that is appealable to NAD.

B Preparing to Defend an Adverse Decision

In the event of an adverse decision and a filing for an appeal, the RO will do the following:

- (1) Contact the Appeals and Litigation Liaison Office (A&L) upon receipt of a Notice of Appeal from NAD. Provide a copy of the Appeal notice to A&L and RMSD. Coordinate assistance from A&L in preparing documents for NAD.
- (2) Prepare an RMA agency position letter, to include:
 - (a) Regulatory and statutory basis for your decision;
 - (b) The facts of the situation; and
 - (c) References to the evidence and documents used to arrive at your decision.
- (3) Prepare the Agency Record
 - (a) Obtain assistance from A&L, as needed, to compile the Agency Record in the format required by NAD;
 - (b) Determine who the Agency Representative will be based on the issues on appeal;

48 Appeal (Continued)

B Preparing to Defend an Adverse Action (continued)

- (c) Prepare a witness list. Witnesses may be experts whose opinions were used in the decision-making process, RMA employees, or other RMA subject matter experts.

49 Litigation

A General Information

- (1) If a policyholder exhausts all administrative remedies and still does not agree with the outcome of RMA's decision, the policyholder may file suit against FCIC in accordance with 7 CFR part 400, subpart J within one year after the date of the decision rendered in the NAD appeal.
- (2) Any suit must be brought in the United States District Court for the district in which the insured acreage is located.

B Preparing to Defend a Lawsuit

In the event a lawsuit is filed, the RO will do the following:

- (1) Contact the Appeals and Litigation Liaison Office (A&L) upon receipt of a Summons in a Civil Action, or Complaint. Provide a copy of the Summons and Complaint to A&L and RMSD. Coordinate any required documents with A&L;
- (2) Work closely with the AUSA and OGC as needed to answer questions and provide information about the case and ensure deadlines are met;
- (3) Determine who the Agency Representative will be based on the issues on appeal;
- (4) Prepare a Litigation Report to include:
 - (a) Regulatory and statutory basis for your decision;
 - (b) The facts of the situation; and
 - (c) References to the evidence and documents used to arrive at your decision.
- (5) Prepare the Agency Record

49 Litigation (Continued)

B Preparing to Defend a Lawsuit (continued)

- (a) Obtain assistance from A&L to compile the Agency Record in the format required by the court;
- (b) Prepare a witness list. Witnesses may be experts whose opinions were used in the decision-making process, RMA employees, or other RMA subject matter experts for use by the AUSA or OGC when defending the case.

50 (Reserved)

Acronyms and Abbreviations

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

Acronym/ Abbreviation	Term
A&L	Appeals and Litigation Liaison Office
AGR	Adjusted Gross Revenue
AIP	Approved Insurance Provider
ANSI	American National Standards Institute
APH	Actual Production History
ARD	Acreage Reporting Date
ARH	Actual Revenue History
ARPI	Area Risk Plan of Insurance
AUSA	Assistant United States Attorney
BP	Basic Provisions
CAE	Center for Agribusiness Excellence
CAT	Catastrophic Risk Protection
CAW	Crop Addendum Worksheet
CFR	Code of Federal Regulations
CIH	Crop Insurance Handbook
CLU	Common Land Unit
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
FIPS	Federal Information Processing Standard
FSA	Farm Service Agency
GFP	Good Farming Practices
GIS	Geographic Information System
GNP	Good Nursery Practices
IS	Insurance Services
LAF	Liability Adjustment Factor
LAM	Loss Adjustment Manual
LASH	Loss Adjustment Standards Handbook
LC	Large Claim
LCH	Large Claim 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

Acronyms and Abbreviations (Continued)

Acronym/ Abbreviation	Term
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
PRISM	Parameter elevation Regressions on Independent Slopes Model
RCO	Regional Compliance Office
RMA	Risk Management Agency
RMSD	Risk Management Services Division
RO	Regional Office
RSD	Reinsurance Services Division
SP	Special Provisions
SRA	Standard Reinsurance Agreement
USDA	United States Department of Agriculture

Definitions

The following are definitions of terms used in this handbook.

Approved Insurance Provider (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.

Cost Savings means the amount of indemnity and premium not paid as a result of the correction of error(s) discovered by RMA on claims for which RMA elected to participate. Cost savings must be calculated when RMA modifies, revises or corrects a claim during review prior to the AIP reaching agreement with the policyholder or prior to the AIP making payment to the policyholder on the claim. Cost savings cannot be counted for the portion of the initial decision not supported in administrative review, NAD appeal, NAD Director's review, or judicial review.

Eligible Crop Insurance Contract (ECIC) means an insurance contract with an eligible producer: (1) covering an agricultural commodity authorized to be insured under the Act and approved for sale by FCIC; (2) with terms and conditions in effect as of the applicable contract change date; (3) that is sold and serviced consistent with the Act, FCIC regulations, FCIC procedures, and this Agreement; and (4) that has a sales closing date within the reinsurance year.

For the purposes of a LC Review, ECIC claims that the AIP must forward to the RO for review include:

- (1) Any single claim on an individual policy that exceeds the large claim threshold for an ECIC due to prevented planting and/or production losses (losses under an area based endorsement are not included when determining the amount of the claim);*
- (2) Any aggregate claims on an individual policy, including claims that were closed and subsequent claims during the same crop year, that exceed the large claim threshold due to prevented planting and/or production losses;*
- (3) For Revenue Protection plans of insurance, any ECIC claim that exceeds the large claim threshold due to a prevented planting and/or a production portion of the loss only (revenue losses and losses under an area based endorsement are not included when determining the amount of the claim);*
- (4) For Actual Revenue History, Nursery, AGR/AGR Lite, Dollar plan, and any other plans of insurance, any ECIC claim that exceeds the large claim threshold.*

Inspection means the verification:

- (1) As to whether the application, production report, acreage report, notice of claim, or other relevant documents (such as a Farm Report for AGR eligible crop insurance contracts) were timely submitted in accordance with FCIC procedures.
- (2) Of the information reported on the documents referenced in (1), that are:

Definitions (Continued)

- (a) Related to the claim, including preliminary and final loss adjustment (Verification of the approved yield will be in accordance with Appendix IV of the SRA); and
- (b) Related to pre-harvest, growing season, or pre-acceptance examination of the crop;
- (3) That policy documents, including but not limited to, actuarial documents, have been properly used and applied;
- (4) That the reported practice is being carried out in accordance with good farming practices;
- (5) That the crop has been planted, or replanted, as applicable;
- (6) That the policy constitutes an ECIC;
- (7) That the policyholder qualifies as an eligible producer; and
- (8) That the agent and loss adjuster have complied with FCIC procedures.

Large Claim means a potential claim on an ECIC with an indemnity in excess of \$500,000, or such amount as determined by FCIC, or the production losses or indemnity under such claim are likely to exceed such amount.

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

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.

Forms

A Large Claim Review Checklist Form

The following is the Large Claim Review Checklist Form. Fully explain and document all answers and the basis of the answers on a separate page and attach it to the Large Claim Review Checklist Form. **This Form is only a sample.**

Policyholder's Name				Claim Number				Policy Number			
Crop(s) – Units(s)								Crop Year			
Yes	No			Yes	No						
<input type="checkbox"/>	<input type="checkbox"/>	1	Policyholder present	<input type="checkbox"/>	<input type="checkbox"/>	21	Acreage determined/method				
<input type="checkbox"/>	<input type="checkbox"/>	2	Insurable entity verified	<input type="checkbox"/>	<input type="checkbox"/>	22	Acreage replanted				
<input type="checkbox"/>	<input type="checkbox"/>	3	Timely notice	<input type="checkbox"/>	<input type="checkbox"/>	23	Replanting payment				
<input type="checkbox"/>	<input type="checkbox"/>	4	Share verified	<input type="checkbox"/>	<input type="checkbox"/>	24	Certification form				
<input type="checkbox"/>	<input type="checkbox"/>	5	Companion contract verified, if applicable	<input type="checkbox"/>	<input type="checkbox"/>	25	Sold production verified				
<input type="checkbox"/>	<input type="checkbox"/>	6	Legal Description verified	<input type="checkbox"/>	<input type="checkbox"/>	26	Farm stored production verified				
<input type="checkbox"/>	<input type="checkbox"/>	7	Practice(s) insurability verified	<input type="checkbox"/>	<input type="checkbox"/>	27	Commingled production				
<input type="checkbox"/>	<input type="checkbox"/>	8	Insurable type/variety verified	<input type="checkbox"/>	<input type="checkbox"/>	28	Fed production verified				
<input type="checkbox"/>	<input type="checkbox"/>	9	Planting dates verified	<input type="checkbox"/>	<input type="checkbox"/>	29	Other names/entities for production verified				
<input type="checkbox"/>	<input type="checkbox"/>	10	Unit/unit division verified	<input type="checkbox"/>	<input type="checkbox"/>	30	All production accounted for				
<input type="checkbox"/>	<input type="checkbox"/>	11	Risk area verified	<input type="checkbox"/>	<input type="checkbox"/>	31	Unusual/controversial circumstances				
<input type="checkbox"/>	<input type="checkbox"/>	12	Insurable cause of loss	<input type="checkbox"/>	<input type="checkbox"/>	32	Reviewed completed claim with policyholder or policyholder's representative				
<input type="checkbox"/>	<input type="checkbox"/>	13	Similar damage	<input type="checkbox"/>	<input type="checkbox"/>	33	Obtained and verified signatures				
<input type="checkbox"/>	<input type="checkbox"/>	14	Reasonable APH	<input type="checkbox"/>	<input type="checkbox"/>	34	Second crop acreage				
<input type="checkbox"/>	<input type="checkbox"/>	15	Insurable acreage	<input type="checkbox"/>	<input type="checkbox"/>	35	Acceptable Power of Attorney				
<input type="checkbox"/>	<input type="checkbox"/>	16	Sharing interests	<input type="checkbox"/>	<input type="checkbox"/>	36	Other				
<input type="checkbox"/>	<input type="checkbox"/>	17	Options/endorsements	<input type="checkbox"/>	<input type="checkbox"/>	37	PAW, PAIR, CAW				
<input type="checkbox"/>	<input type="checkbox"/>	18	Review previous reports	<input type="checkbox"/>	<input type="checkbox"/>	38	Remarks and field notes on page(s)				
<input type="checkbox"/>	<input type="checkbox"/>	19	Previous appraisals	<input type="checkbox"/>	<input type="checkbox"/>	39	Mandatory \$200,000 QC APH review completed by AIP and approved by RMA				
<input type="checkbox"/>	<input type="checkbox"/>	20	Quality adjustment eligibility verified								
1	First Inspection	RO Representative signature						Date			
2	Second Inspection	RO Representative signature						Date			
3	Third Inspection	RO Representative signature						Date			
4	Final Inspection	RO Representative signature						Date			

Forms (Continued)**B Remarks and Field Notes Form**

The following is the form for recording remarks and field notes. If more than one form is required, number forms consecutively, such as 1 of 3, 2 of 3, etc.

Policyholder's Name	Claim Number	Policy Number
Crop(s) – Unit(s)		Crop Year
Remarks/Notes		
Associated or related materials, such as worksheets, photos, maps, etc.		
RO Representative signature	Date	Page ____ of ____

Forms (Continued)**C Interview/Telephone Record**

The following is the form for recording interview/telephone communications. If more than one form is required, number forms consecutively, such as 1 of 3, 2 of 3, etc.

Policyholder's Name	Claim Number	Policy Number
Crop(s) – Unit(s)		Crop Year
Date	Time	
Interview/Call (Circle one)	Incoming/outgoing (Circle one)	
Person contacted: Name: Address: Phone Number: Fax Number: E-mail address:		
Purpose:		
Narrative:		
RO Representative signature		Page ____ of ____

Large Claim Hard Copy File Organization and Storage

A General Rules

- (1) The original file will be retained in the RO. Holes are not to be punched into the documents. See part C of this Exhibit for further guidance.
- (2) The folder(s) must have a label, on the front of the folder(s), which contains the following information:
 - (a) Crop year;
 - (b) Name of the policyholder or entity;
 - (c) Crop name and crop code;
 - (d) Policy number;
 - (e) File type (LC Review, Good Nursery Practice, or GFP); and
 - (f) Month and year of the case being opened.

Example: **2014 Crop Year**
 Farmer Farm, c/o Joe Farmer
 Potatoes (084)
 Policy Number: XXXXXXXX
 Large Claim
 February 2014

- (3) The folder(s) must be kept in a locked cabinet or room within the RO work space. All rules regarding safeguarding PII apply.

B File Contents

- (1) PII Authorization Letter: A copy of the PII Authorization Letter signed by the RO Director giving authorization to the staff members(s) to take the file out of the office to work the claim.
- (2) All Claim Documents: AIP claim documents, policyholder information, and other research or materials related to the claim.
- (3) LC Review Decision Letter: A copy of the final signed letter is the LC Review Decision Letter. The letter is created using the template (Exhibit 7 B). The LC Review Decision Letter must reference additional documentation, as Exhibits, to support adverse findings (see Exhibit 7). The template letter is used for adverse decisions. For non-adverse decisions, see Exhibit 5 C.

Large Claim Hard Copy File Organization and Storage (Continued)

B File Contents (Continued)

- (4) Exhibit Index: The Exhibit Index is a table of contents of the exhibits that contains the supporting documentation. The Exhibit Index **must be in the case file retained in the RO**. (See Exhibit 7 for an Exhibit Index.)
- (5) Required Exhibits: The required exhibits are listed in the exhibit index as each exhibit is described.
 - (a) The Exhibits for the file must be separated from each other by a tabbed index sheet. A tabbed index sheet must be placed between the exhibits even if there are no documents in the Exhibit.
 - (b) On the tab, write the applicable Exhibit name (i.e. EX A, EX A.1, etc.). Each Exhibit must have a cover page that states the:
 - (i) Exhibit name and title;
 - (ii) Crop year;
 - (iii) Policyholder's name or entity name;
 - (iv) Crop name, crop code; and
 - (v) Policy number.

**Example: Exhibit A – Policy and Procedure
2014 Crop Year
Farmer Farms, c/o Joe Farmer
Potatoes (084)
Policy # XXXXXX**

- (c) Each page of the Exhibit must be numbered, including the cover page. The pages are numbered by Exhibit and page number. All of the pages are numbered in consecutive order from the cover page through the last page of the Exhibit. (EX A-1, EX A-2...EX A-230).
- (d) The page numbers must be marked in dark ink in the center at the bottom of the page or with a black sharpie, or electronic methods such as Adobe Pro.

Example: EX A-1

Large Claim Hard Copy File Organization and Storage (Continued)

B File Contents (Continued)

- (e) The completed hardcopy folder resides in the submitting RO.

C Additional Information

- (1) Duplicate Materials. The same (exact) information may be received from different sources. Use one set for the exhibit(s) and store all duplicated materials at the end of the file. This material should be separated with a label stating “Duplicate Materials.” It is not necessary to scan duplicate materials.
- (2) Electronic Format. If everything is received in electronic format (i.e., a CD is received and no other emails were generated, no phone calls were made, etc.), then the original file would only contain the CD. However, the data would need to be extracted from the CD, appropriately labeled following the examples for exhibits, pages, etc., converted to PDF and loaded into the LC SharePoint Site.
- (3) File Retention. The file will be maintained in accordance with RMA’s Record Keeping Management System guidelines.
- (4) When information is requested, copies of the documentation will be forwarded. Original materials must remain in the RO.

Guidelines for Supporting File Records

A Additional Supporting File Guidelines

In addition to hardcopy LC file guidelines contained in Exhibit 4 – Hardcopy File Organization and Storage, the RO must:

- (1) Create and maintain a Chronology of Events log to document significant policy-required actions, such as date of acreage report, notice of loss, etc., and all contacts and actions on the claim, such as date and participants of entrance conference, etc.
- (2) Take photographs with appropriate landmarks and labeling while visiting field sites and conduct appraisals or otherwise document crop and field conditions.
 - (a) Label photos so that anyone unfamiliar with the issue can understand what the photo is intended to communicate.
 - (b) Keep and document all photos.
 - (c) All photos should be uploaded to the GFP/LC SharePoint site.
- (3) Complete and sign the Large Claim Review Checklist (see Exhibit 3A) for each claim review. Explain all responses.
 - (a) Fully document any “No” answers using additional pages as needed.
 - (b) Include references to the documents reviewed, interviews conducted, telephone conversations, and/or applicable policy and procedure supporting your determination.
- (4) Complete field notes within 24 hours of completion of the field inspection after leaving the field using the “Claim Checklist Form Remarks & Field Notes,” Exhibit 3B. This is necessary to assert the notes were contemporaneous.
- (5) Prepare and submit to the RO Director a trip report that includes your observations, findings, and recommendations based on information documented in your Claim Checklist and Field Notes. This information provides the basis for making a decision whether there is an adverse determination and, if appropriate, to begin drafting the body of your LC Review Decision Letter.
- (6) Develop a record of phone conversations with the policyholder, AIP, or loss adjustor and any interviews for the file as they occur.
 - (a) Use the Interview/Telephone Record, Exhibit 3C, to aid in this documentation.

Guidelines for Supporting File Records (Continued)

A Additional Supporting File Guidelines (Continued)

- (b) Include the time of day and date; the name, address and contact information for the person you are talking to; the purpose of the call or interview; and a written overview of the conversation.

In some cases, you may want to document what the person is saying word for word. Do not hesitate to ask them to repeat something to ensure that you clearly understand what they are saying.

- (c) When interviewing the policyholder or others, write notes of the conversation and, when practical, ask the policyholder or other person to review, edit to ensure accuracy of the conversation, sign and date the special report
 - (d) If the RO representative is asked to keep the person's name and contact information confidential, do so. It is very important to comply with the person's wishes. If the information provided is pertinent to the issue or supports an adverse finding then, if possible, verify the validity of the information through other sources.
- (7) Ensure that copies of all documents are clear, easy to read, and understandable. Include an objective narrative when appropriate to ensure a person unfamiliar with the issue can understand its purpose and how it pertains to the proper determination of the claim amount.
 - (8) Obtain copies of all documents in the AIP underwriting and claim files.

NOTE: AIP field notes may be located in the agent's copy of the policyholder file.

B Requesting Information from the AIP

- (1) Any requests for AIP action, such as measuring insured acres and determining uninsured acres, obtaining documentation, completion of the mandatory APH review, researching a GFP issue, etc., must be in writing and submitted to the AIP as soon as possible.
 - (a) E-mail may be used so long as it is treated in the same way as any other official form of communication; i.e., use the same level of thought and decorum as a bulletin or memorandum; off-handed or inappropriate comments are not to be used.
 - (b) Telephone requests in accordance with item A (6) above, should be followed up in writing.
 - (c) Set a reasonable date for completing the action and document when it is complete.
 - (d) If not completed by the agreed upon date, immediately contact by telephone and follow up in writing with the AIP about the matter.

Guidelines for Supporting File Records (Continued)

B Requesting Information from the AIP (Continued)

- (e) Document your actions and the AIP's responses in the official file.
- (2) Include the AIP National Claims Manager and RMSD Director on requests for documents or completion of actions when local efforts to obtain the needed information have failed.

Electronic File Organization

A General Information

The hard copy folder must be substantially complete before any documents are numbered and scanned. Substantially complete means you have collected pertinent documentation, and you are ready to begin your LC Review Decision Letter.

- (1) **All documentation** contained in the hardcopy folder must be scanned as individual PDF files with the exception of:

- (a) Data that is too large to be scanned (such as periodicals);
- (b) Data not suitable for scanning (such as certain types of photographs); or
- (c) Data marked as duplicate data.

For these exceptions, the Exhibit will only include a page noting where the information is located in the RO and a copy is available upon request.

Example: *The documentation for this exhibit is located in the (Name of the RO) and is available upon request.*

- (2) When the data is the BP, CP, CIH, Loss LAM or other large handbooks, **in lieu of copying the entire document**, copy the cover page, the table of contents, the actual page(s) that you are referencing and add a note on the Exhibit cover page of the document citation and the pages copied.
- (3) Data marked as “Duplicated Materials” in the hard copy file is not required to be scanned.

B Naming Convention

- (1) The Naming Convention for each “PDF” file will be:
 - (a) Producer Name,
 - (b) Exhibit ID,
 - (c) Exhibit name, and

Leave a space between segments.

Example: Farmer Farms EX A.1 Basic Provisions.pdf

Electronic File Organization (Continued)

B Naming Convention (Continued)

- (2) After the draft LCs Review Decision Letter is signed, it becomes the final signed version. The final signed version will be scanned prior to mailing and will use the same naming convention as follows:

Example: Farmer Farms Potatoes (RO name) LCR Decision Letter 01-23-09.pdf

- (3) All subsequent letters and exhibits are scanned and uploaded as they are delivered or revised. Any revised files must contain the letters “REV” prior the new date (date of revision).

Example: EX A.1 Basic Provisions REV 02-18-09.pdf

C Creating the Files

- (1) To prepare for the electronic file process, the RO will create a new folder on their internal “S: drive”. The scanned PDF files will be stored in this directory. The folder will be named with the crop year, policyholder’s name or entity name, crop name, and file type.

Example: 2008CY Farmer Farms Potatoes LCR

- (2) The RO then prepares a folder on the GFP/LC SharePoint. The naming convention for the folder will be the same as the “S: drive” folder name (noted in C (1)).
 - (a) The GFP/LC SharePoint folder is created when the case is opened.
 - (b) Documents should be organized into Exhibits as described in Exhibit 9 and scanned as individual PDF documents using the naming convention. As the PDFs are created, they are uploaded from the RO “S: drive” to the GFP/LC SharePoint site.
 - (c) Each RO has a folder on the GFP/LC SharePoint site.
- (3) When the upload is completed, the electronic folder must contain all of the documentation contained in the hard copy file (not including the exceptions noted earlier).
 - (a) The “S: drive” and the SharePoint folders for LC Review documents must always match.
 - (i) Revisions may occur such as receiving additional information from the policyholder or a second opinion from an independent consultant.
 - (ii) As exhibits are added or revised, the hardcopy file, the electronic file, the “S: drive” folder and the GFP/LC SharePoint folder must be updated accordingly.

Electronic File Organization (Continued)

C Creating the Files (Continued)

- (iii) Once the LC has been completed including all appeals and the complete file has been loaded to the SharePoint site, the file may be removed from your local S: drive.

Decision Letter Templates

A General Rules for Writing the Letter

NOTE: Letters and Exhibits mailed to the policyholder must be packaged, marked and processed according to PII requirements.

- (1) Follow the format. **Only use the sections headers applicable to the crop for the LC completed.** Address each section as indicated in the example.
- (2) Write clearly in simple terms.
- (3) Write in a logical manner.
- (4) Write to follow the exhibits in sequential order.
- (5) Use spell check and grammar check.
- (6) Watch for tone and personal bias. Refrain from stating personal opinions or observations assumed but not supported by facts
- (7) Use non-controversial terms.
- (8) Double check all references and quotations.
- (9) Make certain that you use the correct version (applicable crop year and plan of insurance) of the crop provisions, BP, CIH, LAM, Manager's Bulletins, etc. used as your exhibits.
- (10) Update the Header to reflect the Policyholder's Name.
- (11) The Template Letter may not be in the exact font and margin size of the approved letter format used by RMA for correspondence. Please format accordingly in terms of letterhead, font, and margins.
- (12) Include exhibits for any adverse decision.
- (13) Include an Exhibit Index at the end of the letter. Refer to the example after the Administrative Review Letter Template.
- (14) Advise the AIP to use track changes and save document to show suggested changes.
- (15) The concurrence lines are to show agreement with track changes. Concurrence lines **are not** included on the final version sent to the policyholder.

Decision Letter Templates (Continued)

B Regional Office Adverse LC Review Decision Letter Template



Date _____

United States
Department of
Agriculture

VIA CERTIFIED MAIL- XXXXXXXXXXXXXXXXXXXX

Farm and Foreign
Agricultural
Services

Concurrence: (Note: Do not include concurrence lines on final copy sent to policyholder.)

Risk
Management
Agency

RMA RO Dir. or Deputy Dir. _____

Date _____

AIP National Claims Manager _____

Date _____

AIP Regional Claims Manager _____

Date _____

XXX Regional
Office

[Policyholder or Legal Representative Name/Title]

[Address]

Regional Office
Address and
Zip

[Address]

[Address]

RE: Large Claim Review
for [Name of policyholder]
[Crop Year], [Crop], [Policy #XXXXXXX]
[County Name], [State Name]

Dear [Policyholder or Legal Representative Name]:

Your crop insurance provider, [Full name of AIP] [AIP acronym], notified you of the Risk Management Agency (RMA) involvement in the loss adjustment for the claim you filed on the above referenced policy. This policy is reinsured by the Federal Crop Insurance Corporation (FCIC) under the provisions of the Federal Crop Insurance Act (Act) (7 U.S.C. 1501 et seq.). As a Federal regulator for the crop insurance program, FCIC has the authority to take actions as necessary to ensure the program is administered in accordance with the Act, applicable regulations, policy provisions, and procedures. In its exercise of this authority, RMA, which administers the FCIC programs, elected to participate in making the loss determinations for your claim in conjunction with the authority of the Large Claims Handbook (FCIC-14040) and the Standard Reinsurance Agreement. Thus, RMA's [Name of Regional Office] (RO acronym) is authorized to make determinations on behalf of FCIC on claims such as yours.

USDA is an Equal Opportunity Employer and Provider

Decision Letter Templates (Continued)

B Regional Office Adverse LC Review Decision Letter Template (Continued)

This is the final decision on your claim for indemnity based on the information provided by you, and obtained and verified by [AIP acronym] and [RO acronym].

Decision Summary: (Required)

The [RO acronym] conducted an extensive review of the loss documents prepared and/or used by [AIP acronym] to complete your claim. The [RO acronym] and [AIP acronym] agree on all claim determinations and the [RO acronym] has authorized [AIP acronym] to issue your indemnity payment of \$XX,XXX.XX, less any premium owed.

The following sections demonstrate how this amount was calculated and outline your rights to review, mediation, or appeal if you do not agree with this determination.

Notice and Cause of Loss: (Required)

[AIP acronym] received a notice of loss on [DATE] for your policy. The notice(s) of loss forms stated the insurable cause of loss as [list cause(s) of loss] for this [crop name] policy.

The claim notice was received by [Name of Adjuster], loss adjuster, and s/he made contact with you on [Date]. At this time, you stated that dry weather in June stunted the growth of your tobacco crop, but felt it maintained the potential to reach an average production level. Then, tropical storm Hanna in early September further damaged your crop. You stated that the poor growth early in the season postponed the start of harvest until the first part of August.

[AIP acronym] and [RO acronym] were unable to confirm the dry weather you reported in June. According to weather reports from [Name] weather station nearest to your farm, located at XXX, in XX County, 50 miles away, the average temperatures were exactly normal, and at no time exceed the average temperature for the area, 85 degrees (see enclosed weather data in Exhibit X.X).

Policy Coverage Review: (Required)

[Name of Adjuster], [AIP Acronym] [Official Title], reviewed your policyholder file. From the documents contained therein and other documents collected (such as Farm Service Agency (FSA) reports), s/he verified that everything required for insurance coverage to attach to your crop acreage was indeed correctly and/or timely reported.

[AIP acronym] and [RO acronym] note that you report planting your tobacco on your crop insurance acreage report on [Date], and reported a different date of [Date] to the FSA. Although the dates are two weeks apart, both dates certified are before the final planting date for the insured crop.

Acreage Review: (Required)

All the acreage was verified by field observations and FSA 578's and maps, which showed the acreage would measure within the 5% allowance for differences between reported and measured acreage contained in the FCIC issued procedures.

Decision Letter Templates (Continued)

B Regional Office Adverse LC Review Decision Letter Template (Continued)

Additionally, the following Farm Serial Numbers (FSN) were noted and verified as Added Land, which became part of the one Enterprise Unit for all tobacco grown in the county: FSN XXX (19.54 acres), FSN XXX (2.73 acres), FSN XXX (15.09 acres), FSN XXX (41.03 acres) and FSN XXX (23.00 acres). The Added Land was assigned XX, the same yield as the existing acreage (FSN XXX, 540.29 acres) as outlined in the provisions of the Crop Insurance Handbook (FCIC 18010) for adding insurable acreage.

Copies of Acreage Reports for crop year's 20XX-20XX were obtained and found to be properly signed and timely submitted. No discrepancies were found in the acreage review.

Actual Production History (APH) Review: (Required)

If a claim exceeds \$200,000, the AIP is required to conduct an APH review of the production and acreage for up to the past three years.

Prior to the [RO acronym] conducting the APH review for your claim, [Loss Adjuster's Name (and title if not referenced before)] reviewed the production history for years 20XX, 20XX, and 20XX, using sales records and loss documentation. Sold production was also verified by sales records from Phillip Morris International, Phillip Morris USA, and the Flue-Cured Tobacco Stabilization Corporation.

For the 20XX crop year, acreage and production records, including loss records, support the yield records on the APH form and were verified by Mr./s. [Loss Adjuster's Name]. Also, a Quality Control Review was done for the 20XX crop year.

Liability Review: (Required)

The liability amount for your policy is calculated by using the coverage level you elect, the average of your APH production, the acreage planted, and the price election for the crop year. Given that the acreage and production records for all applicable crop years have been verified, no adjustment was made to the liability on this policy.

Plant Inventory Value Review (PIVR) and Record Review: (Required for Nursery)

(NOTE: This section does not directly relate to the rest of the example letter)

In documenting your claim, a Nursery PIVR Supporting Records Review was completed to verify the reported values by plant unit/type supported by your records. The Record Review resulted in the following finding for unit 00100 (Foliage):

The value you reported on your PIVR for unit 00100, Foliage plants, of \$XXX,XXX (Exhibit X.X and Exhibit X.X) was found to be within tolerance in accordance with a Manager's Bulletin (MGR-08-013.1), which raised the tolerance previously established for over-reporting nursery inventory values from 5% to 10% (Exhibit X.X).

Decision Letter Templates (Continued)

B Regional Office Adverse LC Review Decision Letter Template (Continued)

Claim Review: (Required)

Field Visit & Recorded Final Loss Paperwork: September 24, 20XX

(NOTE: Tailor this section to address Large Claim issues for the case.)

[Loss Adjuster's Name] and [Loss Adjuster's Name], [AIP acronym] Loss Adjusters, [Loss Adjuster's name], [AIP acronym] Senior Loss Adjuster, [RO Employee's Name] and [RO Employee's Name], RMA Representatives, met and reviewed the claim file for [insured crop] crop on September 24, 20XX. After reviewing the claim file, all parties traveled to meet with you for the farm visit. This initial field inspection took place at this time and all tobacco had been harvested.

Upon inspection of the remaining stalks, it appeared that most stalks varied from 2 to 3 feet in height and produced 12 to 14 leaves each. At this inspection, permission to destroy stalks was given. No quality adjustment was needed as shown on the production worksheets.

Soil types were noted as marginal for a majority of the tobacco fields; therefore, soil tests and fertilizer records were requests. You provided soil tests for each unit taken on [Date] and the following fertilizer receipts from XXX (Exhibit X.X):

[List date, amount, and chemical]

On November 5, 20XX, [Loss Adjuster's Name], contacted Cumberland Agriculture Extension Agent, [County Agent's Name], and they discussed Mr./s. [County Agent's Name]'s observations of the insured acreage throughout the growing season. Mr./s. [County Agent's Name] noted that Fusarium Wilt Disease was evident in the crop, but that the extremes of drought early in the growing season and excessive rain late in the growing season were the prevalent factors in the crop's poor performance. It was [his/her] opinion that adverse weather affected your crop; there are no controls to prevent or mitigate the effects of Fusarium Wilt Disease.

Exit Interview: (Required)

On [DATE] RO representatives, [RO Employee's Name] and [RO Employee's Name], and AIP representatives, [AIP Employee's Name] and [AIP Employee's Name] met with you to discuss the preliminary claim determinations. The two issues for discussion were your assertion that hot weather early in the season affected your production and the discrepancy in the reported planting dates. It was agreed that within 10 days, you would provide additional documentation for consideration to establish the hot weather and verify your planting dates.

On [DATE], you provided contemporaneous notes from your day planner that document the temperature and rainfall that occurred at your field locations. These records were supported by newspaper articles dated [Date] and [Date] from the Down Home News which mention the records breaking temperatures of XXX and XXX observed in your area during June. Since the closest weather station is 50 miles away from your farming location, this documentation is considered acceptable to establish the weather conditions your crop experienced. The [RO acronym] and [AIP acronym] agree that heat was a secondary cause of loss affecting your tobacco production.

Decision Letter Templates (Continued)

B Regional Office Adverse LC Review Decision Letter Template (Continued)

The discrepancy of reported planting dates was resolved by your receipts for paying XXX to transplant your tobacco. These receipts show your crop insurance certified planting dates are accurate. The certification to FSA may have been a transposition error.

With all the issues cleared up, the claim can move forward into closure and payment.

Settlement of Claim: (Required)

The Common Crop Insurance Policy Basic Provisions (BP) (Exhibit X.X) states in Section 14 (e) that one of your duties in the event of damage or loss are to:

“Establish: (A) The total production or value received for the insured crop on the unit; (B) That any loss occurred during the insurance period; (C) That the loss was caused by one or more of the insured causes specified in the Crop Provisions; and (D) That you have complied with all provisions of this policy.”

The primary insurable loss for your claim was excess moisture occurring in XX, which complies with the causes of loss listed in Section 10 of the Guaranteed Tobacco Crop Provisions (99-071) (Exhibit X.X).

Since all requirements for a claim were met, Section 12, Settlement of Claim, of the Guaranteed Tobacco Crop Provisions was applied by [AIP acronym] for settlement of your claim.

The following acres and production will be used in calculating your indemnity:

<u>Unit/FN</u>	<u>Acres</u>	<u>Total Lbs Guarantee</u>	<u>Production Sold</u>	<u>Indemnity Pounds</u>	<u>Price Election</u>	<u>Indemnity</u>
XXXX	540.29	1,125,424	283,561	841,863	\$1.60	\$1,346,981
XXX	19.54	40,702	13,766	26,936	\$1.60	\$43,098
XXX	15.09	31,432	10,818	20,614	\$1.60	\$32,982
XXXX	41.03	85,465	18,945	66,520	\$1.60	\$106,432
XXXX	23.00	47,909	17,366	30,543	\$1.60	\$48,869
XXX	<u>2.73</u>	<u>5,687</u>	<u>1,510</u>	<u>4,177</u>	\$1.60	<u>\$6,683</u>
Total	641.68	1,336,619	345,966	990,653		\$1,585,045

Decision Letter Templates (Continued)

B Regional Office Adverse LC Review Decision Letter Template (Continued)

The final total indemnity for this flue cured tobacco claim is \$1,585,045.

Your Right to Administrative Review, Mediation, or Appeal: (Required)

Section 20(j) of the Basic Provisions states:

“If FCIC elects to participate in the adjustment of your claim, or modifies, revises or corrects your claim, prior to payment, you may not bring arbitration, mediation or litigation action against us. You must request administrative review or appeal in accordance with section 20(e).”

In accordance with the preamble of your policy, the term “us” refers to the company providing insurance. Therefore, if you disagree with FCIC’s findings in this letter, you cannot seek redress from your insurance company. Your only recourse is to request an administrative review or appeal in accordance with section 20(e).

Section 20(e) of the Basic Provisions states:

“Except as provided in sections 18(n) or (o), or 20(d), if you disagree with any other determination made by FCIC or any claim where FCIC is directly involved in the claims process or directs us in the resolution of the claim, you may obtain an administrative review in accordance with 7 CFR part 400, subpart J (administrative review) or appeal in accordance with 7 CFR part 11 (appeal). If you elect to bring suit after completion of any appeal, such suit must be filed against FCIC not later than one year after the date of the decision rendered in such appeal... Under no circumstances can you recover any attorney fees or other expenses, or any punitive, compensatory, or other damages from FCIC.”

If you do not agree with FCIC’s determination in this letter you have a right to:

- 1) **Request an administrative review** of the FCIC decision within 30 calendar days from receipt of this letter in accordance with 7 CFR part 400, subpart J, by providing the required information to the RMA Deputy Administrator for Insurance Services (DAIS) at:

[Name of DAIS]
Deputy Administrator for Insurance Services
USDA/RMA/Insurance Services/STOP 0801
ATTN: LARGE CLAIM ADMINISTRATIVE REVIEW
1400 Independence Avenue SW
Washington, DC 20250-0801

First class mail to Washington, DC is often delayed for security measures. You are encouraged to send your information by a delivery service that records pickup or postmark and records and guarantees delivery.

Decision Letter Templates (Continued)

B Regional Office Adverse LC Review Decision Letter Template (Continued)

- 2) **Request mediation** of the FCIC decision within 30 calendar days from receipt of this letter by writing to the [Regional Office] Director at:

[Name of RO Director]
[Regional Office Name]
[Address]
ATTN: MEDIATION REQUEST

Or,

- 3) **Request an appeal** within 30 calendar days from receipt of this letter, unless the appellant participated in an administrative review or mediation, the appellant will have only the remaining time to further appeal in accordance with 7 CFR part 11, by writing directly to the National Appeals Division (NAD) at the following address:

Regional Assistant Director
National Appeals Division
[Appropriate] Regional Office
[Appropriate Address]
[Appropriate Address]

You can request administrative review and mediation; however, they can't occur at the same time. If you request both mediation and administrative review, the administrative review will be held in abeyance until the conclusion of mediation. Further, if you elect to utilize the administrative review and/or mediation you may appeal to NAD in accordance with 7 CFR Subpart J.

If you have any questions about any of the findings or your rights to, administrative review, mediation, or appeal, you may contact [RO Contact Person's Name] of this office at (XXX) XXX-XXXX.

Sincerely,

[Director's Name]
RO Director

Enclosures (include number and what they are **if applicable**).

cc: [Name of AIP Point of Contact]

Director, [Name of Compliance Office]

(Include exhibits in accordance with guidelines set forth in Exhibit 9 of this handbook).

Decision Letter Templates (Continued)

C RO Non-Adverse Large Claim Review Decision Letter

- (1) When the LC determination is not adverse to the policyholder in any way, meaning there were no changes to any policy documents and no dispute on the cause or amount of loss, the RO will write the Decision Letter to include:
 - (a) The RO participated with the named AIP to complete loss determinations;
 - (b) The cause of loss;
 - (c) The amount of production or value to count;
 - (d) Relevant facts that should be documented;
 - (e) The authorization of the AIP to process the claim for indemnity; and
 - (f) The rights to administrative review, mediation or appeal to NAD from the Adverse Determination template.

NOTE: Although the decision is not adverse, OGC has advised if appeal rights are not included in non-adverse decision letters the “clock” never stops for the policyholder to seek recourse, because it never started.
- (2) Exhibits are not necessary for a non-adverse LC Review Decision Letter, but may be included.

RMSD Large Claim Administrative Review Letter Template

(Note: Letters and Exhibits mailed to the policyholder must be packaged, marked, and processed according to PII requirements.)



United States
Department of
Agriculture

VIA OVERNIGHT MAIL

Farm and Foreign
Agricultural
Services

(Policyholder or Legal Representative Name/Title)
(Address)
(Address)

Risk
Management
Agency

RE: Administrative Review Decision
for (Name of Policyholder)
(Crop Year), (Crop), (Policy #XXXXXXX)
(County Name), (State Name)

1400 Independence
Avenue, SW
Stop 0801
Washington, DC
20250-0801

Dear (Policyholder or Legal Entity Name):

The Risk Management Agency (RMA), which administers the program of the Federal Crop Insurance Corporation (FCIC), has completed its administrative review of the claim determinations issued by RMA's (RO Name) Regional Office (RO) on (date of RO Letter), incorporated as Exhibit F. To complete this administrative review of the large claim, RMA has carefully reviewed the (RO Name) RO decision file, related information submitted on behalf of the (policyholder's name), and documentation provided by (policyholder's name).

Background and Summary:

Give a brief outline of the original notice and cause of loss, the participation of the RO in the claim adjustment and disputed determinations. Then summarize the administrative review decision and how it was made. This should be like a short executive summary for the policyholder to read and know the highlights pertinent to the decision, as well as the decision itself. The sections that follow should fill in more of the details about the dispute and how the reviewer came to the decision.

(RO Name) Position: (prior to writing the letter, determine the issues, number them and address them in the section as part of the summary. For example, Issue No. 1:)

Concisely summarize the RO's position listing and addressing each issue separately. Reference the exhibits containing specific documents rather than quoting large portions directly from the Policy, Provisions, the policyholder or consultants. However, when it is necessary to quote the document or a person, indent the quotation, set the statement between

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RMSD Large Claim Administrative Review Letter Template (Continued)

quotation marks, and italicized the statement (See Example below). State the facts as given. Do not expand, change, re-state, or re-interpret the RO letter for intent or clarity.

Example for Quotation:

Mr. Adjuster stated:

“All of the 2005 nursery stock that was determined to be destroyed was in fact destroyed.”

(Policyholder Name) Position: *(restate each issue identified above in the RO and address each one using the same issue number)*

Concisely summarize the policyholder’s position listing and addressing each issue separately. Reference the exhibits containing specific documents rather than quoting large portions directly from the Policy, Provisions, the policyholder or consultants. However, when it is necessary to quote the document or a person, indent the quotation, set the statement between quotation marks, and place the statement in italics. State the facts as given. Do not expand, change, re-state, or re-interpret the policyholder’s letter for intent or clarity.

Administrative Review Determination: *(restate each issue identified above in the RO and policyholder positions and address each one using the same issue number)*

Write your determination in a clear and logical manner. Address each concern stated by either the RO or the policyholder. State your agreement or disagreement with the position of either or both. Justify your position with the law, policy, procedures or related documentation (this additional information must be made part of the Exhibits). Reference the page and paragraph of the Exhibit you are using to state your justification. Use language with a matter of fact tone. Be aware of personal bias. Write your statements to display only the facts, not your feelings.

Your Right to Appeal:

If you do not agree with FCIC’s determination in this letter you may request an appeal within XX calendar days from receipt of this letter by writing directly to the National Appeals Division (NAD) at the following address: **(NOTE:** If the policyholder participated in an administrative review or mediation, the appellant will have only the remaining time to request an appeal in accordance with 7 CFR part 11)

Regional Assistant Director
National Appeals Division
[Appropriate] Regional Office
[Appropriate Address]
(NOTE: Address changes based on location of RO)

RMSD Large Claim Administrative Review Letter Template (Continued)

If you have questions concerning this determination or your right to appeal, you may contact the RMSD Director at (202) 260-8286.

Sincerely,

Name

Deputy Administrator for Insurance Services

Exhibits:

(List Exhibits in numeric order using the Exhibit Index. Make sure your letter follows the exhibit order as you are composing your findings) It is not necessary to send exhibits that were already sent with the RO decision.

cc: (Name of AIP Point of Contact)
(AIP Address)

cc: Director, (Name of RO) Regional Office

cc: Director, (Name of Compliance Office)

Exhibit Index

A General Exhibit Headings

The exhibit index and exhibits are attachments to the LC Review Decision Letter and the Administrative Review Letter and must be included with the letter. The Exhibit Index will be divided into three Headings, as applicable (see part D of this Exhibit for an example):

Heading 1: The following exhibits are supporting documentation cited in the RO Decision Letter or Administrative Review Decision Letter and included with this correspondence. *(Place the applicable exhibits cited in the letter under this heading)*

Heading 2: The following exhibits are supporting documentation examined as part of the review but were not cited in the RO Decision Letter and are therefore not included in this correspondence. This information is located at the (RO Name) RO. *(Place the applicable exhibits not cited in the letter under this heading)*

Heading 3: The following exhibits were provided by you to the [NAME] RO and are not provided again with this determination. *(Place the applicable exhibits under this heading)*

B Exhibit List

EX A Policy and Procedure

- A.1 Basic Provisions
- A.2 Crop Provisions
- A.3 Actuarial Documents
- A.4 RMA Handbooks, Memos, Manuals or Bulletins*

** You may either copy only the portion applicable and then cite the publication, the section or paragraph number, and the page number on the exhibit cover page, or, for non-adverse decisions, you may include a statement for this exhibit that directs the reader to the RMA website.*

EX B Insurance and Claim Documents for Policyholder

- B.1 Policyholder Application
- B.2 Insured Acreage Report (or in the case of Nursery: PIVR, CIVER, etc.)
- B.3 Notice of Loss
- B.“X” Other documents such as production summaries, APH reviews, schedule of insurance, non-waiver agreements, previous production, claim histories, other claim forms, etc.

EX C Policyholder Position

- C.1 Letter from the policyholder to the RO
- C.“X” Other documents from the policyholder such as personal financial statements, production records, other claim data submitted from the policyholder such as weather data, published materials (may include consultant reports, journal articles, independent surveys, university studies, newspaper or magazine articles),

Exhibit Index (Continued)

B Exhibit List (Continued)

photographs, GIS data, communications (may include secondary sources such as neighbors, bankers, etc.) This should include, but not be limited to, telephone notes or emails pertinent to the claim that were submitted by the policyholder.

EX D Information Provided by AIP

D.1 Related LC Review correspondence from the AIP to the policyholder

D.“X” Other claim data provided by AIP, including but not limited to weather data, published materials (may include consultant reports, journal articles, independent surveys, university studies, newspaper or magazine articles), photographs, GIS data, communications (may include secondary sources such as neighbors, extension services, FSA, etc.). This should include, but not be limited to, telephone records, emails, or observations pertinent to the claim submitted by the AIP or AIP representatives.

EX E Other Pertinent Data Collected by the RO

E.1 Herbicide labels (*for example*)

E.2 Soil Survey information (*for example*)

E.3 Communications (RO phone logs and /or notes and should also include any additional communication source submitted by either policyholder or AIP to support the RO findings or to validate the information provided by either the AIP or the policyholder).

E.“X” Any additional information that the RO collected (not submitted by either policyholder or AIP) to assist in making the determination.

C Exhibits Added for Administrative Review

If the LC review goes to administrative review, RMSD will scan the information, store it on the RMSD S:drive and upload the exhibits to the GFP/LC SharePoint site. RMSD will notify the RO, via email, that the exhibits are available to print for the hardcopy file.

EX F A copy of the signed LC Review Decision Letter to the policyholder from the RO

EX G Letter from the policyholder to RMSD to initiate Reconsideration or Administrative Review Process

EX H Additional information submitted by the policyholder to support his/her request for Reconsideration and Administrative Review.

EX I Additional pertinent data collected by RMSD to validate or reject information and data submitted by the policyholder, the AIP or the RO.

EX J A copy of the signed Administrative Review Letter to the policyholder from RMSD.

Exhibit Index (Continued)

D Example Exhibit Index:

Exhibit Index

The following exhibits are supporting documentation cited in the RO Decision Letter or Administrative Review Decision Letter and included with this correspondence.

EX A Policy and Procedure

- A.1 Basic Provisions (11-BR)
- A.2 Cotton Crop Provisions (11-0021)
- A.3 Any County Actuarial Documents

EX B Insurance and Claim Documents for Policyholder

- B.1 Policyholder Application
- B.2 Insured Acreage Report
- B.3 Schedule of Insurance
- B.4 Notice of Loss
- B.5 Appraisals and Photographs
- B.6 FSA 578 Report of Commodities
- B.7 Cotton Load Report, dated December 31, 2012

EX D Information Provided by AIP

- D.1 Related LC Review correspondence from the AIP to the policyholder

EX E Other Pertinent Data Collected by the RO

- E.1 Herbicide labels
- E.2 Soil Survey information
- E.3 Letter from [NAME] RO to Policyholder, dated March 12, 2012

The following exhibits are supporting documentation examined as part of the review but was not cited in the RO Decision Letter and are therefore not included in this correspondence. This information is located at the [NAME] RO.

- A.4 2011 Loss Adjustment Manual Standards Handbook (FCIC 25010)
- E.4 2012 Cotton Module Tickets, sent from XYZ Gin March 23, 2012

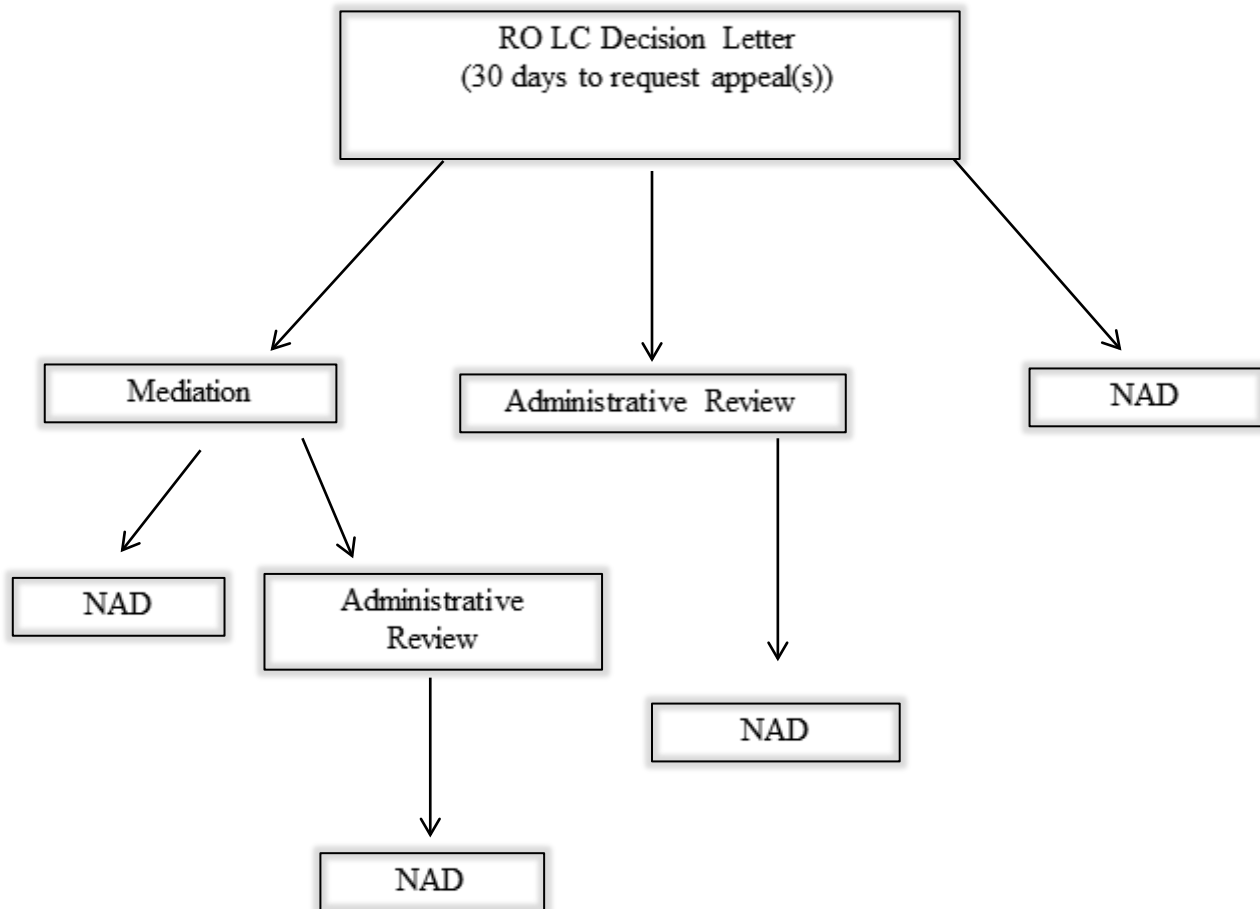
The following exhibits were provided by you to the [NAME] RO and are not provided again with this determination.

EX C Policyholder Position

- C.1 Letter from the policyholder to the RO, dated March 18, 2012
- C.2 Letter from Irrigation Supply House, dated March 16, 2012

Large Claim Appeal Flowchart

(BP, section 20(e) – 7 CFR part 400, subpart J)



Note: NAD Decisions are subject to judicial review.

RO Referral Template



United States
Department of
Agriculture

TO: (RMSD Director's Name)
Director, Risk Management Services Division

Farm and Foreign
Agricultural
Services

FROM: (Name of RO Director/signature)
Director

Risk
Management
Agency

RE: (Name of Policy, Policyholder, or AIP) – Subject of Referral (Program
Vulnerability for Policy or Procedural Changes/AIP Performance
Issue/Fraud, Waste or Abuse)

XXX Regional
Office

Regional Office
Address and
Zip

The (RO Name) Regional Office (Xxxx RO) requests you forward this referral to (name appropriate division) for action based on the following information.

Background:

For referrals regarding policy, state the problem you have discovered with a policy or procedure as it is currently written. Include a cite or reference to the policy or procedure and the negative program impact the policy is causing. Thoroughly describe any consequences that would occur if the policy were not corrected, and any negative impact already observed. (See Section 41 – B for examples of information to include in this type of referral).

For referrals regarding AIP performance issues, describe any systemic AIP performance issues you have discovered that are related to non-compliance with the SRA. Include the full name, address, phone number, AIP, agent, policy number, crops, etc. for all parties involved. Clearly state the policy or procedure that has been violated and state the impact the discrepancy is having on program integrity.

State the date and manner the AIP was made aware of the discrepancy and detail any response you received from the AIP. Include any actions the AIP plans to take to correct the discrepancy (See Section 41 – C for examples of information to include in this type of referral).

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RO Referral Template (Continued)

For referrals regarding suspected fraud, waste, or abuse, describe the condition that led the RO to believe a wrongdoing has occurred and the full name, address, phone number, AIP, agent, FSA county office, policy number, crops, etc. for all responsible parties. Provide a cite or reference to the policy or procedure that identifies the FCIC standard to be followed and describe how that standard was violated. If possible, determine and state the impact of the violation if it were not corrected or stopped. (See Section 41 – D for examples of information to include in this type of referral).

Recommendation:

For referrals regarding policy, make a recommendation on how to correct the problem, if possible. Suggest language to replace what is written in the policy or procedure. Describe the effect the change would have on other programs, rates, coverage, policyholders or other stakeholders, etc. to the extent possible. Finally, state any discussions, support or concerns raised by other ROs, AIPs, NCIS, and/or Product Management staff.

For referrals regarding AIP performance issues, do not make a recommendation on how to correct the discrepancy.

For referrals regarding suspected fraud, waste, or abuse, make a recommendation on how to correct the problem, if possible. This recommendation may be to open an investigation on a particular practice or violation of policy or procedure.

Please contact (provide POC at the RO) at (phone number) if you need additional information or would like to discuss this referral in more detail.

Attach any documents that verify the concerns of the RO, show program vulnerability or non-compliance, or otherwise demonstrate the problem as stated in the referral request.

Enclosure(s)