



United States  
Department of  
Agriculture

Risk  
Management  
Agency

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**INFORMATIONAL MEMORANDUM: IS-09-021**

**TO:** All Approved Insurance Providers  
All Risk Management Agency Field Offices  
All Other Interested Parties

**FROM:** Sue R. King /s/ *Sue R. King* 12/11/2009  
Acting Deputy Administrator for Insurance Services

**SUBJECT:** Claims Advisory – Entity Discrepancies

**BACKGROUND:**

USDA's Farm Service Agency (FSA) and the Risk Management Agency (RMA) have different statutory authority, regulations, and procedures by which each administers its programs. The Agricultural Risk Protection Act of 2000 required reconciliation of data maintained by FSA and RMA. However, data collected and maintained by each agency may be for different purposes and reflect a specific need by the respective agency. Consequently, in many cases, information collected and maintained by one agency will differ from that collected and maintained by another. One specific example is information collected and maintained to establish an insurable entity.

For example, FSA procedures allow an entity to be established that reflects a joint venture between husband and wife. However, the same entity may not meet the requirements of a joint venture or separate policies as outlined by the FCIC 18010 Crop Insurance Handbook (CIH), Exhibit 32. The correct entity for the purpose of establishing eligibility for Federal crop insurance may be a spousal policy, reporting the social security number (SSN) for one spouse and the other spouse reported as having a substantial beneficial interest.

Some Approved Insurance Providers (AIPs) have expressed concern regarding the appropriate procedural guidance to observe when determining an entity which may conflict with data reconciled with FSA.

For reconciliation purposes, the following are examples for business entity-type translations which FSA and RMA recognize in the Common Information Management System (CIMS).

- A person who is an FSA joint venture may be an RMA Spousal or Joint Venture/Co-Owner/Joint Operator.



The Risk Management Agency Administers  
And Oversees All Programs Authorized Under  
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- Similarly, an FSA revocable trust may be recognized by RMA as an individual, Revocable Trust, or a Spousal policy.

The translation between the two agencies indicates that not all entities will always match.

**ACTION:**

AIP's are directed to Exhibit 32 of the CIH, which contains the approved standards for a given policy. AIPs are to ensure that each entity determination is established, corrected, and reviewed according to CIH Exhibit 32, MGR-08-008, and other relevant FCIC- issued procedures.

**DISPOSAL DATE:**

December 31, 2009.