



INFORMATIONAL MEMORANDUM: IS-13-006

**United States
Department of
Agriculture**

Farm and Foreign
Agricultural
Services

Risk
Management
Agency

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

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

FROM: Heather Manzano /s/ *Heather Manzano* 7/8/2013
Acting Deputy Administrator for Insurance Services

SUBJECT: Claims Advisory - Prevented Planting Determinations and
Documentation

BACKGROUND:

Concerns were brought to the attention of the Risk Management Agency (RMA) regarding whether loss adjusters are properly documenting, and Approved Insurance Providers (AIPs) are retaining the documentation, used to support determinations related to prevented planting eligibility. The Standard Reinsurance Agreement (SRA) between RMA and AIPs in Section IV (g) requires AIPs to maintain records the AIP utilizes when determining an insured's program eligibility. The information required in documenting prevented planting eligibility is detailed in the Prevented Planting Loss Adjustment Standards Handbook.

ACTION:

AIPs, and loss adjusters are reminded of the following prevented planting requirements and should also remind insured's about their responsibility for records as stated in item 1 below:

- 1) The insured must provide verifiable records acceptable to the AIP showing a cause of loss (e.g., above normal precipitation) occurring within the insurance period that prevented planting of their acreage.
- 2) AIPs determine, on a case by case basis, acreage that is eligible for prevented planting coverage. AIPs must support their determination that acres are eligible for a prevented planting payment and retain all documentation, including the insured's supporting records, in the insured's file for any future review.
- 3) It is the AIPs responsibility to evaluate each insured's situation and make determinations. The AIP is the party to the contract with the insured and the one that is closest to each individual insured's situation in considering all the available information for making a determination. It is recognized that each insured's situation can vary depending on several factors the AIP must consider. The RMA is not in a position to make global determinations of eligibility given the many varying factors that must be considered in each prevented planting case and situation. Any such statement is outside the purview of RMA and inconsistent with the policy and procedure that underpin the basic approach and consideration needed to make determinations on individual prevented planting situations.

DISPOSAL DATE:

December 31, 2013