



United States
Department of
Agriculture

Farm and Foreign
Agricultural
Services

Risk
Management
Agency

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

INFORMATIONAL MEMORANDUM: IS-13-008

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

FROM: Heather Manzano /s/ Heather Manzano 11/18/2013
Acting Deputy Administrator for Insurance Services

SUBJECT: Prevented Planting Determinations and Documentation

BACKGROUND:

The Office of Inspector General (OIG) recently conducted an audit of Risk Management Agency (RMA) controls over prevented planting in which concerns were raised 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 Appendix IV Quality Assurance and Program Integrity requires that all quality control reviews include an inspection verifying that loss adjusters comply with Federal Crop Insurance Corporation (FCIC) procedures, including the completion of all required eligibility determinations and the inclusion of all supporting documents in the policyholder's file.

ACTIONS:

- 1) AIPs must advise agents and loss adjusters during annual update training of the following prevented planting requirements, and that agents also advise policyholder's about their responsibility for records as stated below:
 - a. The policyholder 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.
 - b. 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 supporting records, in the policyholder's file for any future review.
- 2) AIPs must inspect, review and verify the documentation provided by the policyholder supporting the prevented planting determination using generally available evidence such as weather records (i.e. PRISM) and planting history in accordance with FCIC policy and procedure, including Final Agency Determinations and Special Provisions.

- 3) AIPs must comply with Appendix IV, Quality Assurance and Program Integrity Section III, subsections (a) (3), (8) and (13) stating quality control review inspection and documentation requirements.

DISPOSAL DATE:

December 31, 2014.