



United States
Department of
Agriculture

Farm Production
and Conservation

Risk
Management
Agency

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

INFORMATIONAL MEMORANDUM: IS-17-011

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

FROM: Robert Ibarra /s/ *Robert Ibarra* 9/21/2017
Deputy Administrator for Insurance Services

SUBJECT: Scorecard Procedures – Incomplete Exceptions and Submission Errors

BACKGROUND:

In January 2016, the Risk Management Agency (RMA) began an extensive review of the written agreement and determined yield processes, specifically looking for opportunities to reduce resource requirements, improve the value of the process for the producer, improve program delivery and efficiency, and maintain program integrity. One major area of improvement identified in the review was the need to reduce defective and incomplete exception requests, which resulted in redundant work, delays in decisions, and increased wait times and workload.

Beginning with the spring 2016 Crop Year, RMA implemented a scorecard pilot process intended to accomplish two goals: 1) prevent/reduce defective submissions; and 2) provide feedback to Approved Insurance Providers (AIPs) identifying areas of improvement. The scorecard process completed the pilot phase on June 30, 2017.

ACTION:

Implementation:

As the scorecard process moves into a full implementation phase, RMA will continue to provide weekly detailed reports reflecting errors and error rates by AIP and request type. RMA will also continue discussions with the industry workgroup to identify and correct any systemic issues that cause submissions to be defective or incomplete. In addition, RMA will work with individual AIPs to identify any systemic issues they encounter with exception submissions.

As part of this effort, AIPs must develop and submit an action plan to the RMA Risk Management Services Division (RMSD) that addresses the AIP's efforts to improve (or maintain) their error rate for incomplete or defective submissions reported on the scorecard.

Effectiveness of the action plan will be measured by monitoring the AIP's ongoing scorecard results, and RMA RMSD will follow-up with AIP contacts regarding any ongoing persistent or anomalous errors.

By October 20, 2017, all AIPs must submit an action plan to the RMA RMSD addressing ways they will improve (or maintain) their error rate for incomplete or defective submissions reported on the scorecard. Action plans must contain, at a minimum, the information found in the attached template.

AIPs are reminded that exception requests must be complete and contain the minimum required documentation for submission. Requests not containing the minimum required documentation will be considered "incomplete" and counted as an error.

If AIPs would like to inquire about or share producer interest in a crop policy expansion in a particular region, please contact the applicable RMA regional office (RO). Contact information for each RMA RO can be found at the end of this document or at the RMA website - www.rma.usda.gov.

Error Reports and Corrective Action:

The RMA RMSD will review the error reports on a monthly basis to monitor progress and troubleshoot any issues or concerns. If the error rate is consistently high, is identified as a statistical outlier, systemic processing issues arise, or other areas of concern are identified, RMA RMSD will contact the AIP about the concern(s) with a request for the AIP to take appropriate action(s) to correct the area(s) of concern. The AIP is expected to make progress towards resolving the issues identified.

Error Appeals:

In the event an AIP disagrees with an RMA RO's determination that a request submitted was incomplete or contained errors, the AIP may request in writing (through email or mail) that the RMA RO review the error determination. The AIP must send the request to the RMA RO within 20 business days of the decision from the date the missing information was recorded on the weekly report (missing information recorded date) and include, at a minimum, the request number and the reason for the disagreement. The RMA RO will review the request and provide a written response no later than 5 business days from receipt of the review request. If the RMA RO determination remains unchanged and the AIP disagrees with the RMA RO determination, the AIP may submit

a written request for reconsideration to RMA RMSD at ROERO_Coordinators@rma.usda.gov. The RMA RMSD will review the request and provide a written response no later than 5 business days from receipt of the review request. All requests submitted for reconsideration of a decision must be submitted within 45 calendar days after receipt of the initial decision.

DURATION:

This informational memorandum remains effective until incorporated into procedure or rescinded.

Scorecard Action Plan Template

The AIP's scorecard action plan will contain the following information:

1. **AIP Name, submission date, submitter name, title and contact information:** Indicate the individual who developed the AIP's scorecard action plan and their full contact information (email, phone, and address).
2. **Scorecard Point of Contact:** Provide the name, title and full contact information of the individual that RMA RMSD should contact regarding any concerns with the AIPs ongoing scorecard error rate. This individual may be different from the individual who submitted the action plan.
3. **AIP's 2017 Year-to-Date (YTD) Exception Submission Count, Error Count and Percentage Rate:** Using the most recent 2017 Scorecard report, provide the submission and error counts and percentage from the YTD totals report for the AIP. Include the date of the Scorecard report used to obtain this information.
4. **AIP's Scorecard Action Plan:** Provide an overview of the AIP's Action Plan including key steps or measures it will implement for the 2018 reinsurance year to achieve a reduction of, or to maintain a low error rate, if applicable, from the 2017 error rate outlined in Item 3. The overview should include a discussion of the AIP's quality control efforts in reviewing exception requests for completeness and sufficiency.

RMA RO Contact Information

| <u>Regional Office</u> | <u>Office Number</u> | <u>Email Address</u> |
|------------------------|----------------------|----------------------|
| Billings | 406-657-6447 | RSOMT@rma.usda.gov |
| Davis | 530-792-5870 | RSOCA@rma.usda.gov |
| Jackson | 601-965-4771 | RSOMS@rma.usda.gov |
| Oklahoma City | 405-879-2700 | RSOOK@rma.usda.gov |
| Raleigh | 919-875-4880 | RSONC@rma.usda.gov |
| Spokane | 509-228-6320 | RSOWA@rma.usda.gov |
| Springfield | 217-241-6600 | RSOIL@rma.usda.gov |
| St. Paul | 651-290-3304 | RSOMN@rma.usda.gov |
| Topeka | 785-228-5512 | RSOKS@rma.usda.gov |
| Valdosta | 229-242-7235 | RSOGA@rma.usda.gov |