

PROAG[®]

COMPLIANCE





WHY COMPLIANCE?

WHY DOES PROAG® HAVE A COMPLIANCE DEPARTMENT?

Appendix IV of the Standard Reinsurance Agreement (SRA) between ProAg and the Federal Crop Insurance Corporation (FCIC), states that ProAg is responsible for conducting quality control reviews to maintain the integrity of the crop insurance program.

The Compliance Department is the buffer between the Federal Crop Insurance Corporation (FCIC) and Insured. It is the job of the ProAg Compliance Department to insure that ProAg policyholders, ProAg agents, and ProAg itself are adhering to RMA guidelines.

WHAT IS THE SRA AND WHY IS IT SO IMPORTANT?

The SRA is the contract between RMA and the company. We cannot participate in the crop insurance program without this contract. Appendix IV of the SRA, in part, is what guides the Compliance Department for Quality Assurance and Program Integrity.

WHO IS THE PROAG COMPLIANCE DEPARTMENT?

The ProAg compliance department consists of the National Compliance Manager, Regional Compliance Supervisors, Compliance Analysts, Compliance Review Coordinators (CRCs) and Reviewers.

Anyone conducting a compliance review for ProAg must be an objective and unbiased person who is not involved in, or supervisor of anyone, that establishes the guarantee, adjusts the loss or sells the policy.

WHO DECIDES WHEN A REVIEW MUST BE COMPLETED?

The SRA and/or the crop provisions specify the types of reviews and the criteria for each review. Following is a list of the review types:

- APH Tolerance Reviews
- Conflict of Interest (COI) Reviews
- Simplified Claim Review
- Growing Season Inspection
- Consecutive Loss Adjuster Review
- Biotechnology Spot Checks
- \$100,000 Claim Review
- \$500,000 Claim Review
- Preharvest Inspection
- GRIP/GRP Acreage Review
- Irrigation Review
- PRF (Rainfall and Vegetation) Review



HOW IS THE REVIEW CONDUCTED?

If a letter needs to be sent, it is mailed to the insured, with a copy provided to the agent. The reviewer will communicate with the agent to inform them that a review has been initiated on one of their insured's policies. The agent may decide to let the insured know that the review process has started, or the reviewer can call the insured directly.

If a farm visit or inspection is needed, the reviewer usually makes the appointment directly with the insured. Information that may be requested from the insured includes weight tickets, settlement sheets, load logs, feeding records, FSA measurements, and any other production evidence.

Once the review is complete, the findings are shared with the agent, who may then communicate the findings with their policyholder. The insured can expect professional treatment throughout the entire process.



WHAT ARE MY RESPONSIBILITIES?

Agents and insureds are responsible for the accuracy of timely signed required information of an eligible crop insurance contract. The contract must meet the qualifications described in the Basic, Crop, and Special Provisions and any other qualifying provision for each contract as follows:

- Application/Transfer/Cancellation/Change Forms
- Production Reports
- Acreage Reports
- Notice of Loss and Loss Information
- Transfer of Coverage & Right to Indemnity Form
- Assignment of Indemnities Forms
- Pre-Acceptance Worksheets (PAW) for Perennial Crops
- Other Applicable Forms as Required by the Eligible Crop Insurance Contract (Nursery, AGR/AGR-L, etc.)

WHERE CAN I GET MORE INFORMATION?

For more information concerning compliance and review procedures, please review:

Appendix IV of the current SRA

<http://www.rma.usda.gov/news/2010/07/719appendix4.pdf>

Basic Provisions of Insurance

<http://www.rma.usda.gov/policies/2011/11-br.pdf>

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