

Appendix IV Review Types



HyDRA and Standard Reinsurance Agreement (SRA) Reviews (performed by AIP)

Reports generated ([data mined](#)) from HyDRA which require a review:

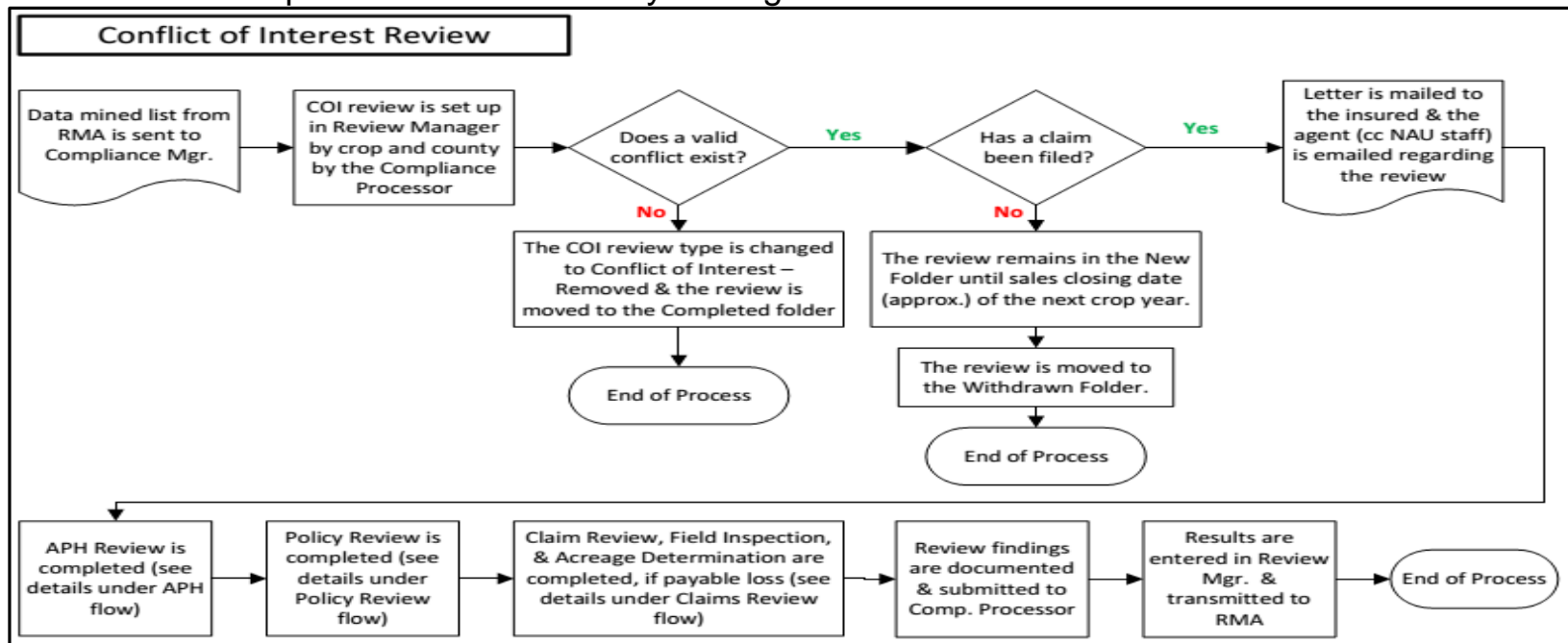
- **Spot Check List*** – Purpose is to deter potential fraud, waste and abuse. Two lists of producers are identified for review:
 - › Farm Service Agency (FSA) responsible for review
 - › Approved Insurance Provider (AIP) responsible for review
- **Conflict of Interest*** – a review is mandatory if the producer reports a loss on the policy.
 - RMA uses relevant agent, loss adjuster, and employee records to determine the potential list of COI policies.
 - Each policy is assigned a data mining score (a measure of risk) and those policies with a score >5 points above the county average are included in the results list.
- **Consecutive Loss Adjuster*** - conducted when a claim has been worked by the same adjuster for 3 consecutive claim years.

**APH reviews are done by crop/county for all eligible crop insurance contracts reviewed if APH is the basis for coverage.*

Standard Reinsurance Agreement (SRA) Reviews (Performed by AIP)

Conflict of Interest Review (COI):

- › RMA sends AIP a list of Eligible Crop Insurance Contracts (ECIC) for which a COI review is mandatory if the producer reports a loss on the policy.
 - › RMA uses relevant agent, loss adjuster, and employee records to determine the potential universe of COI policies.
 - › Each policy is assigned a data mining score (a measure of risk) and those policies with a score >5 points above the county average are included in the results list.



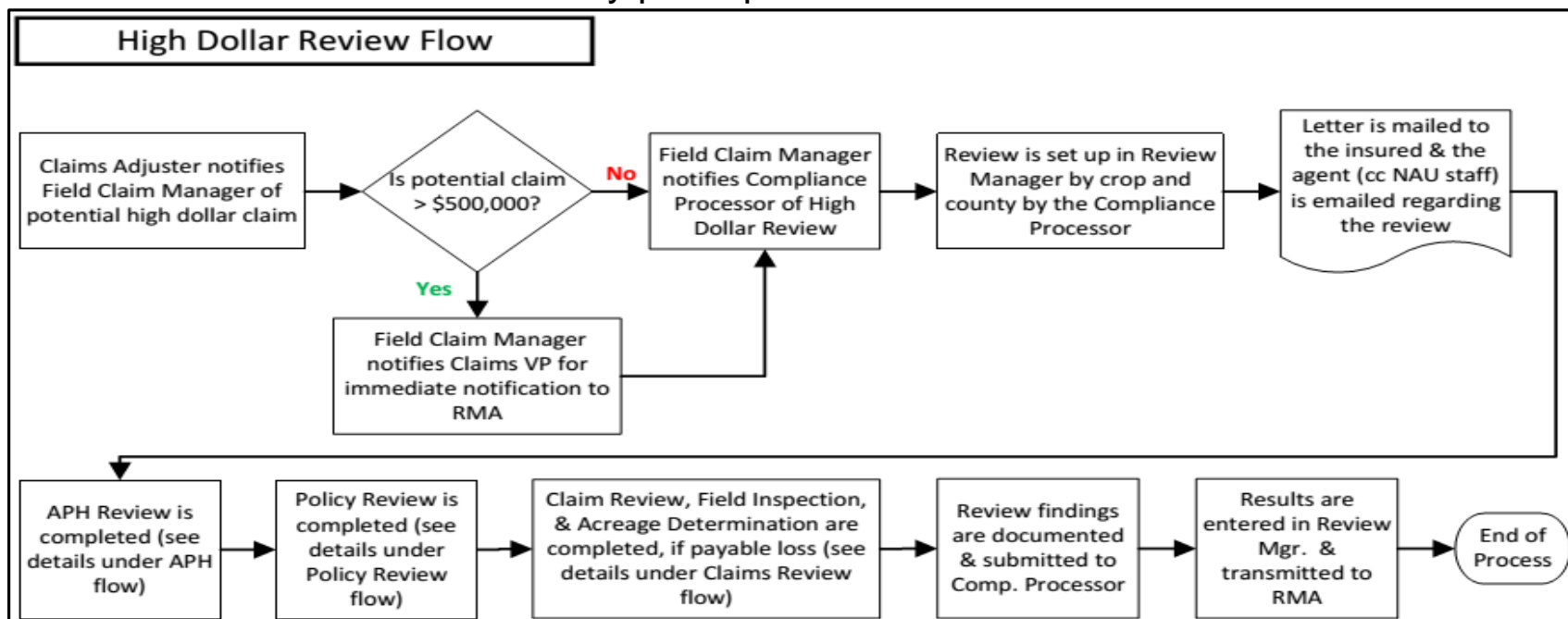
Standard Reinsurance Agreement (SRA) Reviews (Performed by AIP)

- › **Consecutive Loss Adjuster Reviews** – AIP shall conduct an inspection of at least:
 - › 15% of the eligible crop insurance contracts where the same adjuster has been involved in 3 consecutive claim years for their Company; and
 - › 15% of any additional eligible crop insurance contracts, identified by FCIC, where the same adjuster has been involved in 3 consecutive claim years between multiple AIPs.
 - › Policies to review are identified from a report generated in **HyDRA**. The actual review is conducted either:
 1. Before the claim is paid, if identified at that time;
 2. Otherwise, after the claim has been paid.
- › **Individual Policy Review** - policies, entities, agents, loss adjusters, or affiliates identified by the FCIC and conducted to meet program integrity.
- › **Area Risk Protection Reviews (ARPI):**
 - › Identified by RMA through data mining; or
 - › Identified by AIP on payable claims that have either:
 1. Conflict of Interest (COI) identified by RMA; or
 2. Exceed \$200,000 in indemnity.
 - › Upon completion, any required changes or corrections are noted in narrative section of the Field Inspection Review section of the Compliance Review form. All documentation is sent to the Compliance Processor in the office.

Standard Reinsurance Agreement (SRA) Reviews (Performed by AIP)

High Dollar Claim Reviews:

- › If claim amount paid is in excess of **\$200,000**:
 - › Prevented planting & harvest losses are calculated separately.
- If claim amount paid is in excess of **\$500,000**:
 - › Any single or aggregate claim on an individual policy due to prevented planting and/or production loss is included;
 - › RMA is notified and may participate in review.



Standard Reinsurance Agreement (SRA) Reviews

(Performed by AIP)

Rainfall and Vegetation Index Acreage Reviews – required for:

- › All eligible crop insurance contract receiving indemnities for which a conflict of interest has been reported under the Agreement;
- › All eligible crop insurance contracts for which a written application for acreage reductions are made during the insurance year;
- › Not less than a 3 percent random sample for all Rainfall Index Pasture, Rangeland, Forage and Apiculture eligible crop insurance contracts and a 3 percent random sample for all Vegetation Index Pasture, Rangeland, Forage eligible crop insurance contracts with reported acreage/colonies.

Acreage/colony report reviews shall include verification of:

- Actual acres (total including insured and uninsured acres) versus insured acres;
- Actual colonies versus insured colonies (colonies can be verified by FSA or other federal or state governmental reporting systems/requirements, tax records, transportation invoices, purchase agreements, bill of sales, etc.);
- Insurable interest/share in the crop; and
- Insurability of the insured acreage located within the county, and that such acreage was reported on or before the acreage reporting date.

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