

\$200K COMPLIANCE REVIEWS

What You Need to Know



RMA requires all AIPs to review claims meeting or exceeding \$200,000 by crop and by county. If a claim meets any of the following criteria a compliance review is required:

- A standalone harvest or prevent plant claim that equals \$200,000 or more.
- Multiple harvest claims that are equivalent to \$200,000 or more.
- A MCEU claim if one county or crop of the group meets or exceeds \$200,000 then all counties associated with that county/crop must be reviewed.

Your Compliance Field Specialist is available to provide customer service to the policyholder in the event of the review and will answer any questions that arise during the review process.

COMPONENTS OF A \$200K CLAIM REVIEW:

> APH Review

> Claim Review

> Contract Review

Note: This component is completed by the underwriting department

WHAT IS A CLAIM REVIEW?

1. A review of all the elements needed to verify that the claim, as worked by the adjuster, is in accordance with the applicable RMA guidelines and procedures.
2. Commonly conducted by a Compliance Field Specialist or a qualified adjuster working along the side of the adjuster who is working the claim.
 - a. Performs an independent loss adjustment to validate concurrence with the original adjuster.
 - b. Reviewing the claim documents.

WHAT IS AN APH REVIEW?

1. Verify the Actual Production History (APH) of the three most recent years of the crop in question.
2. Done by obtaining the acreage records and production records of the crop years needed from the policyholder.
 - a. Review starts with the most recent completed crop year.
 - i. If actual yields are within tolerance, no need to continue.
 - ii. 'Records Exist Form' can be used for 2nd and 3rd most recent crop years.
 - iii. 'Records Exist Form' certifies that the policyholder has production records for the year in question.
 - b. Can go back to the 2nd and 3rd most recent crop year if first year is out of tolerance.
 - c. Tolerance = within 5% of what was reported on the production report submitted for the crop year being reviewed.
 - d. Precision records could be used for acreage record verification and/or production record verification.

Note: The use of precision records will increase the efficiency of the APH review process.

WHAT IS A CONTRACT REVIEW?

Note: This component is completed by the underwriting department

1. A review of the information reported on the policy documentation that the policyholder submitted through their agent in the current crop year.
2. Common documents being reviewed include:
 - a. Production report
 - b. Application/Change Form
 - c. Acreage Report
 - d. Power of Attorney (if applicable)
 - e. Assignment of Indemnity (if applicable)
3. The agent needs to make sure the above forms are uploaded into FMH Agent Center.