



United States
Department of
Agriculture

Farm and Foreign
Agricultural
Services

Risk
Management
Agency

1400
Independence
Avenue, SW
Stop 0805
Washington, DC
20250-0805

INFORMATIONAL MEMORANDUM: IS-10-006

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

FROM: Michael A. Alston *Michael Alston*
Deputy Administrator
for Insurance Services

SUBJECT: Group Risk Plan (GRP) and Group Risk Income Protection (GRIP)
Acreage Report Field Reviews

JUL 9 2010

BACKGROUND:

The Risk Management Agency (RMA) regards verification that producers have accurately self-certified their acreage as an integral part of program integrity. Acreage report field reviews verify the accuracy of the crop acreage that producers self-certify and insure under GRP and GRIP policies. The Office of Inspector General (OIG) recently found that certain Approved Insurance Providers (AIPs) were not adequately performing acreage report field reviews as required by the GRP Insurance Standards Handbook. Although this handbook has previously been applicable only to administration of the GRP plan of insurance, the requirements outlined in the handbook are also applicable to the GRIP plan of insurance as well.

ACTION:

AIPs who administer policies insured under both the GRP and the GRIP plans of insurance are referred to the GRP Insurance Standards Handbook, section 4.F, which requires that:

Insurance providers must perform acreage report field reviews **no later than 120-days after the acreage reporting date** for the crop, as specified in the Special Provisions. Such reviews must be completed prior to the destruction of the crop residue. Acreage report reviews are required for:

- (1) All policies of employees of the insurance provider, FCIC, or representatives such as adjusters, agents, etc;
- (2) All policies for which misrepresentation or concealment of material



The Risk Management Agency Administers
And Oversees All Programs Authorized Under
The Federal Crop Insurance Corporation

An Equal Opportunity Employer

facts is suspected;

- (3) All late-filed acreage reports;
- (4) All unreported acreage reports;
- (5) All "zero" acreage reports; and

(6) **Not less than** a 3-percent random sample by crop for all GRP and GRIP crop policies with reported acreage (which were not selected in (1) through (5) above). Where policies have been selected that have multiple GRP and GRIP crops, the reviewer may verify the acreage report information for the other crops. Such verifications will apply toward the required reviews for that company for those crops, even though such reviews were not random.

AIPs are reminded that acreage report field reviews require physical inspections of the insured crop to determine eligibility and compliance with program terms and conditions. The summary of the review results must be provided to the Deputy Administrator for Compliance in the attached format at least 60 days prior to the scheduled release date for payment yields and final county yields as specified in the crop provisions for crops covered under the GRP and GRIP plans of insurance.

Failure to satisfactorily meet the review requirements may result in the assessment of a financial penalty.

DISPOSAL DATE:

This Informational Memorandum has no Expiration Date.

Attachments (4)