

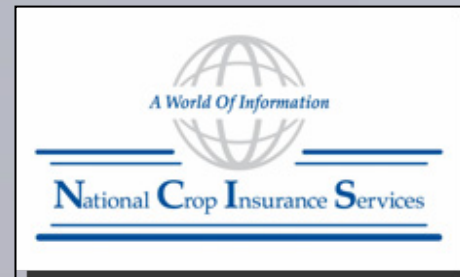
Crop Adjuster Proficiency Program

National Crop Insurance Services

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Overview

- **Challenges of current system**
- **Goals and objectives of Crop Adjuster Proficiency Program (CAPP)**
- **CAPP process**
- **Development and scope of proficiency exams**
- **Testing software requirements and accessibility of information**

Challenges of Current System

- **Lack of uniformity across states**
 - **Licensing Requirements**
 - **Continuing Education**
 - **Reciprocity**
- **Crop Insurance not recognized as a major line**
 - **Exams rarely include crop insurance**
 - **Exams having crop questions are often out of date**

Challenges of Current System

- **Redundant Expenses**
 - Pre-licensing class fees
 - Multiple exam fees for adjusters working in more than 1 state
- **Hinders mobility of adjuster work force for catastrophic events**
- **Regulation of a federal program by state agencies**
- **No uniform database of licensed crop adjusters**

Goal of CAPP

**The Goal Of A CAPP Is To
Ensure That All Crop Adjusters
Have Demonstrated An
Approved Level Of Proficiency**

Additional Objectives

- **Create effective and fair exams**
 - Applicable to crop adjusting
 - Up to date/current
- **Create consistency & uniformity**
 - General knowledge necessary to work claims nationwide
- **Create acceptability**
 - State Insurance Departments
 - Risk Management Agency
 - Industry
 - Other Regulatory Groups (OIG, GAO)

Additional Objectives

- **Not to duplicate or replace competency exams required under the SRA**
 - **Adjuster Proficiency Program (CAPP) would test overall general knowledge**
 - **Company competency exams are more specific to regional and/or crop specific concerns**

Additional Objectives

- **Reinforce efforts to improve program integrity and enhance the image of crop insurance**
 - **Principles of professional ethics stressed**
 - **Conflict of interest concerns addressed**
 - **Adjuster responsibilities and expectations**
 - **Civil rights**
 - **Antitrust**
 - **Crop Insurance Act**
 - **SRA**

CAPP Process

Step 1: Satisfy all company level SRA required training.

- **New adjusters: at least 60 hours (including at least 24 hours of classroom training).**
- **Experienced adjusters: at least 18 hours (including at least 6 hours of classroom training).**
- **All loss adjusters must retake and pass the company administered competency test every three years.**

CAPP Process

Step 2: Gain access to the NCIS CAPP testing site.

- **Upon completing the SRA training requirements with an AIP, the AIP will give the adjuster a company identification code (unique to that company) that will be required to logon to the NCIS CAPP web site.**
- **The company will also provide to NCIS the names (and social security numbers) of the individual adjusters who have completed the SRA required training with their company.**

CAPP Process

Step 2: Gain access to the NCIS CAPP testing site. (continued)

- **The adjuster will use the provided company code and their social security number to gain access to the NCIS CAPP testing site.**
- **On their initial visit, adjusters will establish a user ID and password to use for subsequent visits to the NCIS CAPP testing site.**

CAPP Process

Step 2: Gain access to the NCIS CAPP testing site. (continued)

- **Once user ID and password obtained, the adjuster can access on-line study materials.**
- **When prepared, the adjuster would re-enter the website to take the timed exams.**

CAPP Process

Step 3: Complete three required CAPP exams

- **Pass at the 80% level, three online open-book, timed exams developed and administered by NCIS. These exams would cover:**
 - **Exam 1. General Insurance Terms and Concepts
(35 questions/75 minutes)**
 - **Exam 2. Basic Policy Provisions
(35 questions/75 minutes)**
 - **Exam 3. Loss Adjustment Manual and general adjuster information
(50 questions/120 minutes)**

CAPP Process

Step 4: Receive documentation of CAPP completion

- **NCIS will provide the individual with documentation verifying the individual's proficiency status.**
- **The individual will use this documentation as proof to State Insurance Departments that they have met the necessary requirements.**

CAPP Process

Step 4: Receive documentation of CAPP completion (continued)

- **NCIS will provide each AIP with the status of each individual who has accessed the NCIS CAPP testing site using their company specific access code.**
- **NCIS will also verify to any State Insurance Department that the individual of interest has completed the exams as required.**

CAPP Process

Step 4: Receive documentation of CAPP completion (continued)

- **Upon request, NCIS will provide RMA with the status of each individual who has accessed the NCIS CAPP testing site.**
- **Only pass/fail results, and not individual scores, will be provided to AIP's, Insurance Departments, and RMA.**

CAPP Process

Step 5: Complete SRA Continuing Education requirements to maintain proficiency Status

- **To maintain the proficiency status, the adjuster must complete the annual company training requirements specified in the SRA.**
 - **At least 18 hours (including at least 6 hours of classroom training)**
- **Each AIP will report to NCIS the adjusters who have satisfied these requirements with their company.**

CAPP Process

Step 5: Complete SRA Continuing Education requirements to maintain proficiency status (continued)

- **Any individual who does not meet these requirements by the end of each calendar year will have their CAPP status suspended.**
- **Once suspended, an individual would need to successfully re-take the three proficiency exams.**

Development & Scope of Exams

- **Source materials**
 - Currently available
 - Need development
 - On-line availability
- **Scope**
 - **General Insurance Terms and Concepts**
 - Definitions applicable to business of insurance
 - Ethics, Antitrust , Civil Rights, & Conflicts of Interest
 - Crop Insurance Act & Standard Reinsurance Agreement requirements
 - **Basic Provisions of Insurance**
 - **MPCI Loss Adjustment Manual**

Testing & Software

- **Technical Requirements**
 - Dedicated server
 - Website for on-line testing
 - 24/7 availability
 - No special software required for individual
- **Security**
 - Adjuster identification
 - Password issuance
 - Exam questions & answers
 - Pool of questions maintained by NCIS and reviewed by RMA

Testing & Reporting

- **Data Management and Reporting**
 - **Feedback to the adjuster**
 - **Notices of failure to maintain CAPP status**
 - **Adjuster, RMA, State Departments of Insurance**
 - **Pass/Fail**
 - **State Departments of Insurance, RMA, & Approved Insurance Providers (AIP's)**
 - **AIP specific**
 - **Maintain confidentiality for adjusters working for more than one AIP**
 - **Tracking of reports generated**

Testing & Software

- **Accessibility**
 - **RMA**
 - Work in partnership to review program
 - **AIP's**
 - Authorized personnel to request reports
 - **State Departments of Insurance audits**
- **Integrity of exams is paramount**
 - **Timed**
 - **Questions selected randomly**
 - **Lock ability to print**

Summary and Conclusion

- **Current system does not meet the future needs of the crop insurance industry**
- **Requiring an approved level of understanding and knowledge is good for all (farmers, adjusters, regulatory agencies, etc.) and promotes program integrity**
- **CAPP process satisfies the desired goal of demonstrated ability**
- **The proposed process is workable**
- **Costs absorbed by industry**