



United States Department of Agriculture

Farm and Foreign Agricultural Services  
Risk Management Agency

**BULLETIN NO.: MGR-00-031**

TO: All Reinsured Companies  
All Risk Management Agency Offices

FROM: Kenneth D. Ackerman /s/ Ken Ackerman 11-1-00  
Administrator

SUBJECT: E-Business Implementation Plan and Policy Guidance

On August 29 and 30, 2000, the Risk Management Agency (RMA) held a meeting in Baltimore, Maryland, to discuss the draft E-Business Implementation Plan (EBIP), which insurance providers will use to update their Standard Reinsurance Agreement (SRA) Plan of Operations. The EBIP outlines the documentation necessary to demonstrate compliance with the Freedom to E-File Act. Revisions were made to the draft EBIP based on comments received at the meeting. The draft EBIP was again distributed for comments and the attached EBIP is the final result.

The first required EBIP must be submitted no later than April 1, 2001, with the Plan of Operations for the 2002 reinsurance year. Implementation plans that are applicable to the 2001 reinsurance year may be submitted earlier for consideration. Full implementation of the statute must be achieved by December 1, 2001. Producers must be able to transact business electronically beginning no later than December 1, 2001.

**E-Business Plan Requirements:**

- C Insurance Providers must establish a web site for forms retrieval that is compliant with section 508 of the Rehabilitation Act of 1973.
- C Producers must be able to access and complete forms from the website.
- C The forms available on the web site must be compliant with the Document Standards Handbook. The forms must be in a user-friendly format and have self-help guidance materials available.
- C All applicable disclosure statements must be contained on the form and acknowledged by the producer when the forms are electronically signed.



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- C The producer must be able to electronically file with the agent/insurance provider all producer-completed forms required for participation in the Federal crop insurance program either through the use of facsimile or the Internet.
  
- C The insurance provider must acknowledge receipt of the electronically filed form and provide confirmation to the producer by the close of business on the business day following receipt of the form.

**Required Forms:**

The required forms must conform to the Document Standards Handbook and must be submitted to and approved by FCIC. The insurance provider at its election may add other forms to its web site. However, all forms must be approved by FCIC prior to use. The following forms are established as the minimum required to be accessible on the web site.

- 1. Applications
  - a. Crop Insurance Application
  - b. Policy/Contract Change Form
  - c. Adjusted Gross Revenue Application
  - d. Request to Exclude Hail and Fire
  - e. High Risk Land Exclusion Option
  
- 2. Production Reports
  - a. Production and Yield Report
  
- 3. Acreage Reports
  - a. Crop Insurance Acreage Report
  - b. Forage Production Underwriting/Acreage Report
  - c. Nursery Plan Inventory Value report
  - d. Nursery Peak Plan Inventory Value report
  
- 4. Claims
  - a. Notice of Damage or Loss
  - b. Self-certification Loss Form
  
- 5. Miscellaneous
  - a. SSN and EIN Reporting Form

**Licensed Agent Requirement:**

Section V.G.2.a. of the SRA requires that all eligible crop insurance contracts reinsured under the Agreement be sold by properly trained and licensed agents. E-signatures of licensed agents are required on all electronic documents for which written signatures are required in the paper environment.

**E-Signature Requirements:**

The electronic signature utilized by producers, agents, and loss adjusters must be compliant with the Electronic Signatures in Global and National Commerce Act. The Office of Management and Budget issued supplementary information regarding current electronic signature technologies. You may access this information at:

<http://www.whitehouse.gov/OMB/fedreg/gpea2.html>

**Submission and Approval Process:**

- C Each insurance provider's EBIP must be submitted to the Reinsurance Services Division (RSD) for approval.
- C RSD will review the submission and, if requested by the submitting insurance provider, will forward unapproved forms to the Product Development Division (PDD) for review.
- C RSD will issue a letter of approval or disapproval within 60 days of receipt. Disapproval of EBIP will be accompanied with an explanation of why the EBIP was not approved. The insurance provider may make adjustments and resubmit for approval.
- C PDD will issue a letter approving or disapproving the forms directly to the company, with a copy to RSD.
- C The insurance provider must obtain prior approval from RSD before implementation of e-business transactions. Only approved forms may be used.

**Definition of "Full Implementation":**

Not later than December 1, 2001, insurance providers must allow producers to obtain, over the internet all required forms and other information, and to file electronically all paperwork required for participation in the Federal Crop Insurance program.

**Sanctions:**

In the event the insurance provider is not compliant with this bulletin, under section V.I.1. of the SRA, RMA may invoke Section V. J. or K.

If you have any questions please feel free to contact your Account Executive.

**Disposal Date:**

This bulletin is for the purpose of transmitting and updating information and the disposal date is December 31, 2002.

Attachment

## **E-BUSINESS IMPLEMENTATION PLAN REINSURANCE YEAR BEGINNING JULY 1, 2001**

The E-business implementation plan (EBIP) will be incorporated within the Standard Reinsurance Agreement's Plan of Operations between the Federal Crop Insurance Corporation (FCIC) and the Company. This EBIP must contain the information requested herein. This plan must be submitted to FCIC by April 1 preceding the reinsurance year. The first required submission of this plan is due April 1, 2001.

In consideration of the evolving E-business environment, the Company is required to re-file an EBIP each reinsurance year with the annual Plan of Operations submission. Any changes in the implementation plan must be reported by the Company to FCIC within fifteen days from the date of the change. The means to file electronically include the use of the Internet and facsimile. Information, documents, exhibits, or forms are to be numbered in the EBIP to correspond with the paragraphs to which they pertain. The information required is:

1. The name, address, phone number, and tax identification number of the Company, or Managing General Agent responsible for issuing, receiving and processing electronic documents received from producers. *(May refer to the applicable exhibit to the Plan of Operations).*
2. The names, addresses, and tax identification numbers of all other insurance companies or general agencies who will issue, receive and process electronic documents received from producers. *(May refer to the applicable exhibit to the Standard Reinsurance Agreement Plan of Operations).*
3. The process the Company will use to provide electronically all required forms and other information concerning the crop insurance program. The Company must provide:
  - a. A list and copy of all forms that will be made available on the Internet.
  - b. For each form listed above, either an indication that the form is not yet approved or a certification that it has been previously approved by RMA. Note: All forms must conform to the Document Standards Handbook (24040). New forms must be submitted to RMA for approval. If a previously-approved form has been changed with respect to either its layout or content, it is considered new and must be submitted for approval prior to use.
  - c. A certification statement that all applicable disclosure statements will be utilized on all applicable forms.
  - d. A certification statement of web site compliance with section 508 of the Rehabilitation Act of 1973.  
*(Describe the complete process the Company will use to respond to the Freedom to E-File Act.)*

4. The process the Company will use to allow producers to file electronically all paperwork required for participation in the program.
  - a. Describe the type of electronic signature that will be used by producers.
  - b. Provide the name, address and e-mail address for one contact person with the vendor being used to provide electronic signatures.
  - c. Describe the security measures the Company will use to protect the confidential nature of the data and information submitted by producers from being reviewed, revised or otherwise used by unauthorized persons. A third-party certification of security measures must be obtained from a recognized security certification firm and must be provided.
  - d. Describe the process the Company will use to document revisions to data and information submitted by producers.
  - e. Describe the storage, backup and retention procedures being used by the Company for electronically filed documents. Provide the name, address, and phone number for one contact person for the Company who manages the storage and backup procedures for the Company.
5. The names, URL's, facsimile numbers, and mailing addresses of each location where producers may electronically access and file the paperwork required for participation in the program.
6. The online abilities of the producers in the filing and retrieving of paperwork electronically with the Company. *(Describe the directions being provided with respect to how to access the information and forms, properly complete and submit them; meeting filing deadlines; obtaining user i.d. and password, etc.)*
7. The online responsibilities of the crop insurance agent to each producer who files or retrieves required paperwork electronically with the Company.
8. The process for obtaining consent from the producer to electronically conduct crop insurance business on a partial or complete basis with the Company.
9. Provide the procedures a producer must use to withdraw consent to electronically conduct crop insurance business on a partial or complete basis with the Company.
10. Provide the procedures that a producer must use to request a paper copy of an electronic record.
11. The statement of the required hardware and software needed by a producer to access, obtain, and retain electronic documents from the Company.