

Goal: Getting Payments Right

Program or Activity
Federal Crop Insurance Corporation

Reporting Period
Q4 2020

Change from Previous FY (\$M)

\$112M

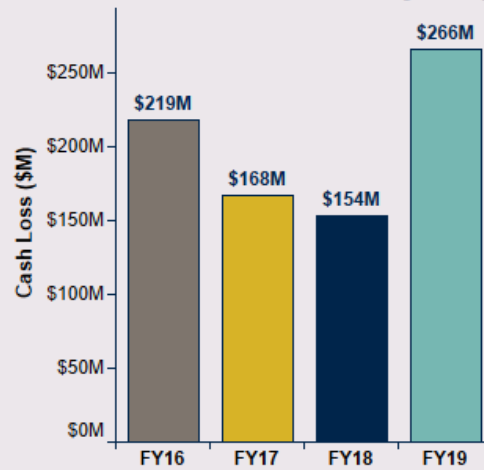


Federal Crop Insurance Corporation

Brief Program Description:

RMA manages the Federal Crop Insurance Program (FCIP) to provide crop insurance to farmers and ranchers. Approved Insurance Providers (AIPs) sell and service the policies through a partnership with RMA, who shares the risk associated with losses.

Cash Loss by FY (\$M)



Key Milestones	Status	ECD
1 Develop mitigation strategies to get the payment right the first time	Completed	Jun-20
2 Evaluate the ROI of the mitigation strategy	Completed	Jun-20
3 Determine which strategies have the best ROI to prevent cash loss	Completed	Jun-20
4 Implement new mitigation strategies to prevent cash loss	Completed	May-20
5 Analyze results of implementing new strategies	On-Track	Jun-21

Quarterly Progress Goals			Status	Notes	ECD
1	Q4 2020	Issue revised Crop Insurance Handbook and discuss with AIPs to ensure understanding of the revisions.	Completed	N/A	Jul-19
2	Q4 2020	Synthesize and analyze the detailed error data from the IPERIA reviews in preparation for 2019 presentation to Approved Insurance Providers (AIPs).	Completed	N/A	Jan-20

Recent Accomplishments					Date
1	Attended OCFO meeting regarding items needed for the AFR.				Sep-20
2	Attended OMB data and supplemental data call meeting covering reporting requirements.				Sep-20
3	Attended AFR Data Collection Process Improvement meeting.				Oct-20

Amt(\$)	Root Cause	Root Cause Description	Mitigation Strategy	Anticipated Impact of Mitigation
\$178M	Administrative or process errors made by: others (participating lender, health care provider, or other organization administering Federal dollars)	Administrative or process errors reflect a diverse array of errors representing different aspects of the crop insurance policy lifecycle, such as acreage reporting, Actual Production History (APH), applications and claims.	Cross Enterprise Sharing	Providing more detailed information to the AIPs about specific types of administrative or process errors is anticipated to assist the AIPs in better identifying and controlling the specific types of problems contributing to the errors.
\$88M	Inability to authenticate eligibility: data needed does not exist	Inability to authenticate errors were due to acreage reporting errors and were related to actual production history, which includes the unacceptability of production records and the inaccuracy of production certification.	Audit or Internal Controls	The updates to the Crop Insurance Handbook are anticipated to provide increased clarity and minimize burdensome reporting requirements for acceptable records. The anticipated impact of the program review is improving accuracy of acreage reporting.

Cash Loss - Cash loss to the Government includes amounts that should not have been paid and in theory should/could be recovered.