

Payment Integrity Scorecard

Program or Activity
Risk Management Agency (RMA) Federal Crop Insurance Corporation (FCIC)

Reporting Period
Q1 2025

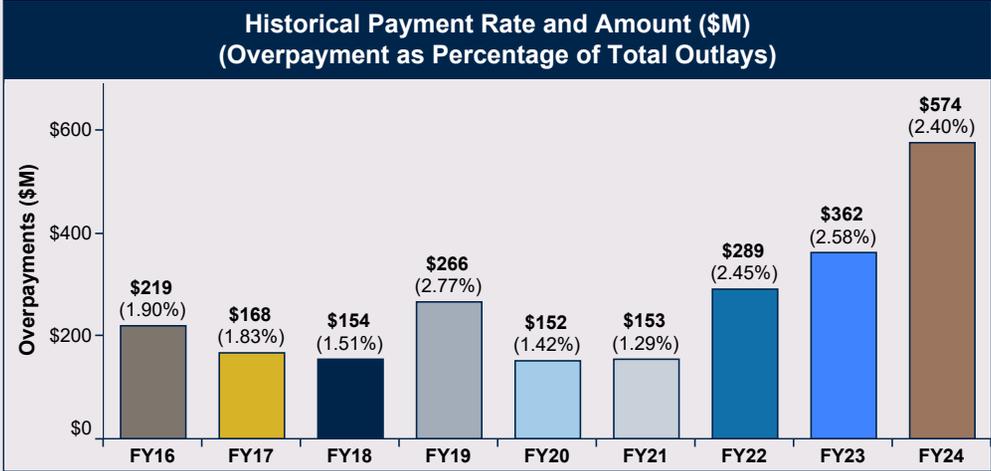
FY 2024 Overpayment Amount (\$M)* **\$574**

*Estimate based a sampling time frame starting 7/2021 and ending 6/2022

USDA U.S. Department of Agriculture
Risk Management Agency (RMA) Federal Crop Insurance Corporation (FCIC)

Brief Program Description & summary of overpayment causes and barriers to prevention:

RMA administers the Federal Crop Insurance Program which provides crop insurance to farmers and ranchers. Approved Insurance Providers (AIPs) sell and service the policies through a partnership with RMA and share in the risk associated with losses. RMA's review of improper payments provides results data in which the cause of improper payments (i.e., administrative, certification, process errors, etc.) can be identified along with a means of reducing barriers that may prevent payments from being proper.



Discussion of Actions Taken in the Preceding Quarter and Actions Planned in the Following Quarter to Prevent Overpayments

RMA's issuance of bulletins and memorandums plays a crucial role in mitigating future overpayments and helping to assure payment accuracy. On November 5, 2024, RMA issued Manager's Bulletin-MGR-24-006.2 which addressed emergency loss adjustment procedures for Pecan trees damaged by Hurricane Helene and continued impacts from Hurricane Debby. Additionally, on December 10, 2024, RMA published Informational Memorandum-COM-24-007 which served to inform industry partners of revisions to the SRA Appendix IV to capture the review requirements of the Fire Insurance Protection - Smoke Index Endorsement available for grape policies in California. Product Management issued Bulletin-PM-24-087 on December 18, 2024. This bulletin reminded Approved Insurance Providers of the educational resources available to them to ensure better knowledge of the Hurricane Insurance Protection-Wind Index (HIP-WI) and the Tropical Storm Option (TS) programs. In addition to PM-24-087, RMA is hosting an online webinar to further educate producers about the HIP-WI and TS programs.

Accomplishments in Reducing Overpayment		Date
1	RMA achieved and reported a tolerable improper payment rate for FY2024. This rate was reported to OMB as part of the FY2024 Data Call reporting and for publication on paymentaccuracy.com.	Oct-24
2	Presented Payment Integrity Information Act (PIIA) results to industry stakeholders at the National Crop Insurance Services Claims Managers meeting.	Jan-25
3	RMA attended OIG's Entrance Conference for: 50024-0001-11 USDA Compliance with Improper Payment Requirements for FY2024.	Jan-25

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Goals towards Reducing Overpayments	Status	ECD	Recovery Method	Brief Description of Plans to Recover Overpayments	Brief Description of Actions Taken to Recover Overpayments
1 RMA requested Spot Check List review documents from the AIPs and began reviewing them for compliance of FCIC procedures. Additionally, RMA will compare Spot Check results from the AIPs to producer certifications. Once results have been compiled an analysis will be conducted and a final report drafted.	On-Track	Apr-25	1 Recovery Audit	AIPs are notified of any overpayments through RMA's Compliance Activities and Results System (CARS) in accordance with the Standard Reinsurance Agreement requirements. They are then tracked, collected, and verified through RMA's accounting system.	AIPs are notified of any overpayments through RMA's Compliance Activities and Results System (CARS) in accordance with the Standard Reinsurance Agreement requirements. They are then tracked, collected, and verified through RMA's accounting system.
2 As part RMA's Cotton Loss Adjustment program review, AIPs were notified and required to conducted pre-harvest inspections and claim reviews. Upon completion of the field work conducted by the AIPs the Southern Regional Compliance Office (SRCO) conducted independent field reviews to determine if AIPs followed FCIC policies and procedures. Once claim documentation is received SRCO will review the claim for compliance and accuracy.	On-Track	Jul-25	2 Recovery Activity	AIPs are notified of any overpayments through RMA's Compliance Activities and Results System (CARS) in accordance with the Standard Reinsurance Agreement requirements. They are then tracked, collected, and verified through RMA's accounting system.	AIPs are notified of any overpayments through RMA's Compliance Activities and Results System (CARS) in accordance with the Standard Reinsurance Agreement requirements. They are then tracked, collected, and verified through RMA's accounting system.

Amt(\$)	Root Cause of Overpayment	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
\$467M	Overpayments outside the agency control that occurred because of a Failure to Access Data/Information Needed.	Improper payments associated with the failure to access data/information are often related to errors in which external stakeholders do not follow Federal Crop Insurance Corporation (FCIC) policies and procedures or are the result of calculation/administrative errors.	Audit - process for assuring an organization's objectives of operational effectiveness, efficiency, reliable financial reporting, and compliance with laws, regulations, and policies.	A cotton loss adjustment review will be conducted to determine if adjusters are following FCIC policy and procedures when determining production to count. The anticipated impact is improved accuracy in carrying out cotton loss adjustment procedures.
\$107M	Overpayments outside the agency control that occurred because of an Inability to Access the Data/Information Needed.	Overpayments due to the inability to access data/information needed are often the result of errors committed by policyholders at the time of certification or by the Approved Insurance Providers who are responsible for the sales and service of the FCIC program.	Audit - process for assuring an organization's objectives of operational effectiveness, efficiency, reliable financial reporting, and compliance with laws, regulations, and policies.	An assessment of the Spot Check List review process will be performed to assure AIPs are following FCIC procedures to include, in part, comparison of review results to producer certifications. The review will promote consistency in the review processes amongst the industry.