

Goal: Getting Payments Right

Program or Activity
Federal Crop Insurance Corporation

Reporting Period
Q1 2020

Change from Previous FY (\$M)

\$112M

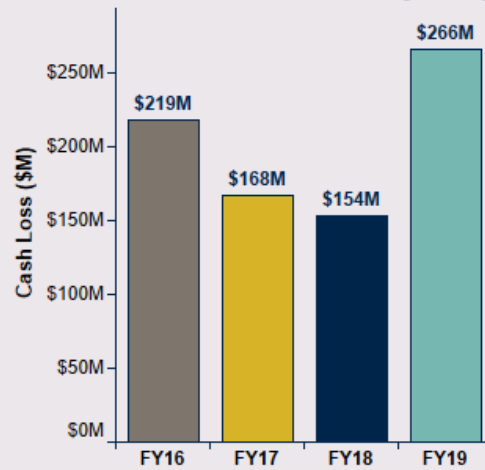


Federal Crop Insurance Corporation

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 risks 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-19
2	Evaluate the ROI of the mitigation strategy	On-Track	Jun-22
3	Determine which strategies have the best ROI to prevent cash loss	On-Track	Jun-22
4	Implement new mitigation strategies to prevent cash loss	Completed	May-19
5	Analyze results of implementing new strategies	Completed	May-19

Quarterly Progress Goals			Status	Notes	ECD
1	Q1 2020	Issue revised Crop Insurance Handbook and discuss with AIPs to ensure understanding of the revision.	Completed		Jul-19
2	Q1 2020	Synthesize and analyze the detailed error data from the IPERIA reviews in preparation for 2019 presentation to Approved Insurance Providers (AIPs).	Completed		Jan-20

Recent Accomplishments		Date
1	Attended Mitigation Strategy Interview to identify mitigation strategies that have been proven successful at individual Agencies through a reduction in monetary loss.	Sep-19
2	Attended meeting with OCFO regarding Payment Integrity High-Risk Program Meeting-Sampling Plans to discuss sampling plan guidance and template.	Oct-19
3	Attended Payment Integrity Workgroup meeting to discuss High Risk Programs and Risk Assessment template.	Jan-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.	Each year, RMA provides a brief overview to the AIPs, the private-sector partners, of the types of errors identified during the IPERIA review process. To address the diverse types of errors RMA will provide a more detailed analysis to the AIPs.	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.	2018 Crop Insurance Handbook outlines exceptions to assigned yield procedures and edited the production evidence language for the 2019 Crop Insurance Handbook. A compliance office will be conducting a long-term acreage validation program review.	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.