# Payment Integrity Scorecard

| Program or Activity | Reporting Period | FY 2025 Overpayment Amount ($M)* | $359 |
|---|---|---|---|
| Federal Crop Insurance Corporation (FCIC) | Q2 2026 | | |

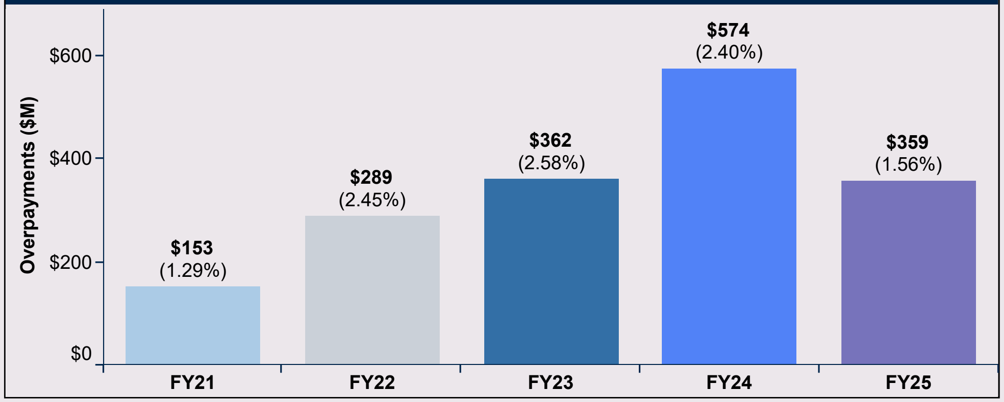
*Estimate based a sampling time frame starting 7/2022 and ending 6/2023

**USDA**
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. Overpayments reported by the RMA are attributable to administrative, certification, or policy/procedural errors. The extensive scope of the program, intricate program requirements, and external factors such as natural disasters represent recognized barriers to preventing improper payments.

**Historical Payment Rate and Amount ($M)**
**(Overpayment as Percentage of Total Outlays)**




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

Regional Compliance Offices delivered presentations to external stakeholders at regional meetings organized by National Crop Insurance Services. These sessions allow RMA compliance staff to inform Approved Insurance Providers about findings from the improper payment review, including identified errors that resulted in improper payments, with the goal of promoting awareness and minimizing future occurrences. RMA has released COM-26-003: Rainfall Index (RI) and Pasture, Rangeland, and Forage (PRF) Guidance, containing key reminders pertinent to PRF policies. The bulletin addresses issues such as rebating, grazing on Bureau of Land Management land, and acres designated for grazing. It advises Approved Insurance Providers (AIPs) to actively inform policyholders about their contractual responsibilities and emphasizes the significance of adhering to these requirements. RMA's monthly Technology & Information Processing (TIP) Committee presentations provide consistent guidance and reinforce the correct use of standardized tools like PRISM weather validation and Hyper Dynamic Reporting Application refresh cycles. These updates help all stakeholders use authoritative data, promote transparency, and support program oversight. By emphasizing proper tool usage and data refresh awareness, RMA strengthens payment integrity and helps reduce improper payments.

| | Accomplishments in Reducing Overpayment | Date |
|---|---|---|
| 1 | Participated in the National Crop Insurance Services Underwriting and Operations meeting, where the Risk Management Agency (RMA) emphasized the significance of the public-private partnership in ensuring successful improper payment reviews by the RMA. | Apr-26 |
| 2 | Delivered a compliance update at the National Claims Manager's Meeting hosted by National Crop Insurance Services. | Jan-26 |
| 3 | Presented to the newly appointed Federal Crop Insurance Corporation Board of Directors on the operations of compliance and how program integrity is an integral part of day to day operations. | Feb-26 |

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| Program or Activity | Reporting Period |
|---|---|
| Federal Crop Insurance Corporation (FCIC) | Q2 2026 |

| | Goals towards Reducing Overpayments | Status | ECD |
|---|---|---|---|
| 1 | RMA will perform an analysis of a representative sample of reviewed policies, with an emphasis on cases where production to count (PTC) was determined to be the cause of improper payments. This analysis will enable us to identify the underlying factors contributing to each improper payment and systematically organize the data according to these root causes. RMA will then develop a focused mitigation strategy aimed at decreasing the frequency and/or amount of improper payments related to to PTC. | On-Track | Sep-26 |
| 2 | RMA will analyze review outcomes related to Actual Production History to determine whether the underlying cause is linked to deficient documentation or non-compliance with established procedures. Once the root cause is identified, a focused corrective action plan will be developed to address specific concerns. This initiative seeks to reduce improper payments arising from unacceptable production evidence. | On-Track | Oct-26 |

| | Recovery Method | Brief Description of Plans to Recover Overpayments | Brief Description of Actions Taken to Recover Overpayments |
|---|---|---|---|
| 1 | **Recovery Audit** | Approved Insurance Providers 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. | Approved Insurance Providers 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 | **Recovery Activity** | Approved Insurance Providers 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. | Approved Insurance Providers 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 |
|---|---|---|---|---|
| **$190M** | Overpayments that occurred because of a Failure to Access Data/Information Needed. | Overpayments 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. | Change Process - altering or updating a process or policy to prevent or correct error. | The objective is to identify the root causes of production count errors resulting in improper payments, enabling RMA to develop and implement effective strategies that mitigate future improper payments and enhance compliance. |
| **$169M** | Overpayments 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. | Change Process - altering or updating a process or policy to prevent or correct error. | The expected outcome is an enhanced comprehension of the underlying factors contributing to improper payments related to unacceptable production records. This understanding will facilitate targeted interventions aimed at mitigating the risk of future occurrences. |