

# Payment Integrity Scorecard

## Program or Activity

Federal Crop Insurance Corporation (FCIC)

## Reporting Period

Q4 2025

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

**\$574**

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

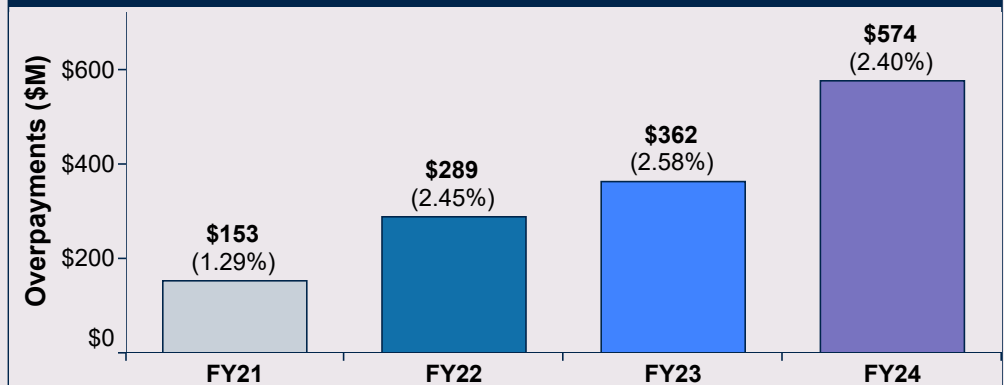


Federal Crop Insurance Corporation (FCIC)

### **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.

### **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**

In FY2025 Q4, RMA issued PM-25-054, Rainfall Index - Pasture, Rangeland, Forage Crop Provisions and Rainfall Index Plan Common Policy, Basic Provisions Changes Effective for the 2026 and Succeeding Crop Years which outlined several changes to the Rainfall Index Common Policy (RI Basic Provisions). RMA also published COM-24-223, informing Approved Insurance Providers (AIPs) of the introduction of the Livestock Price Reinsurance Agreement pilot as part of the current AIP Performance Review process. RMA's continued efforts in data mining led to the publication of three key reports; excessive yields, misreported claims, and Beginning Farmer and Rancher participation, all of which are accessible by the AIPs. In July RMA presented on a variety of topics at the National Crop Insurance Services Train the Trainer meeting. RMA continues to work on implementing all applicable components of the Big Beautiful Bill.

### **Accomplishments in Reducing Overpayment**

**Date**

		Date
1	Provided Improper Payment training to Risk Management Agency's Department of Compliance.	Jul-25
2	Provided training to industry stakeholders as part of the National Crop Insurance Services Train the Trainer Fall Conference.	Jul-25
3	Participated in OCFO's Improper Payments Working Group Meeting.	Aug-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	As part RMA's Cotton Loss Adjustment program review, all field inspections and Claim reviews have been completed, AIPs have been notified of the results, and findings have been recorded.	Completed	May-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 a result of the RMA's FY2024 program assessment of the Spot Check List procedures, the agency is implementing a Reconciliation Report, which will be made available to Approved Insurance Providers (AIPs). This report is designed to support AIP compliance with Spot Check List requirements while facilitating timely and accurate reporting of results. Additionally, RMA will incorporate a Spot Check List walkthrough into its AIP Performance Review for the purpose of determining compliance.	Completed	Aug-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 ensure 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.