

## AUTHORITY TO CORRECT ERRORS

### 1 Summary

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The approved insurance provider (AIP) is authorized to correct certain errors in information reported by the insured to ensure information is correct and consistent within USDA. Once an AIP determines that an error exists, the AIP may correct the error, within the timeframe specified by these procedures. However, corrections cannot allow the producer to avoid an ineligibility determination or obtain a disproportionate benefit under the crop insurance program or any related program administered by the USDA. This authority is effective beginning with the 2015 crop year for all crops and insurance plans with a June 30, 2014 or later contract change date.

The corrections authorized by these procedures are in addition to those currently authorized by other Federal Crop Insurance Corporation (FCIC) policies and procedures.

Within the time frame specified below, allowable correction types include the following:

- (1) **USDA Reconciliation Errors**—include errors where AIP or RMA information is determined to be incorrect by information determined correct at any other USDA Agency.
- (2) **FSA Conforming Correction Errors**—include errors where the FSA corrects its information and that correction then creates an inconsistency with an AIP's or RMA's information reported by the insured.
- (3) **Electronic Transmission Errors**—include errors committed by the AIP, or any USDA agency in the electronic transmission of information provided by the insured.

Late Reporting Reductions will not be assessed for any authorized error correction made in accordance with these procedures and Appendix III to the SRA. The AIP must document changes that substantiate the correction on the applicable form, e.g., Policy Change form.

## **2 Exceptions to Correction of Errors Authority**

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The corrections in paragraphs 3 and 4 are allowed in the current crop year if the AIP determines that the corrections do not allow:

- (1) the insured or its substantial beneficial interest holder (SBI) to obtain disproportionate benefits under the crop insurance program or any related program administered by the USDA;
- (2) an ineligible person to participate in the crop insurance program or a person to avoid any ineligibility requirements for crop insurance purposes;
- (3) the insured or its SBI to avoid an obligation or requirement under any state or federal law; or
- (4) the insured or its SBI to:
  - (a) obtain, enhance, or increase their insurance guarantee or indemnity payment, if a cause of loss exists or has occurred before any correction has been made, or
  - (b) avoid premium owed if no loss is likely to occur.

For example, when a producer must elect between USDA programs, such as choosing coverage under Agricultural Risk Coverage (ARC) or Supplemental Coverage Option (SCO), correction of errors procedures cannot be used to modify such elections.

If any one of these exceptions apply, the corrections described in paragraph 3 and 4 must be made by the sales closing date (SCD) of the subsequent crop year.

## **3 USDA Reconciliation Errors**

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### **A. Errors on Forms Submitted by the SCD**

#### (1) Authority to Correct

An AIP may determine, through its own internal review or through reconciliation activities with any USDA agency, an error exists in the information reported by the insured on the Application or other forms submitted by the SCD, e.g., the Policy Change form. The AIP is allowed to correct errors in information reported by the SCD to ensure that the information is correct and consistent with the information reported by the insured for any USDA program.

#### (2) Timing of Correction

Provided no condition in paragraph 2 exists, when the AIP determines that an error exists, the AIP may correct the error up to 60 days following the current policy's SCD. If an error is discovered more than 60 days following the SCD, or is not corrected up to 60 days following the SCD or a condition in paragraph 2 exists, the error must be corrected by the SCD of the subsequent crop year.

### **3 USDA Reconciliation Errors Continued**

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#### **A. Errors on Forms Submitted by the Sales Closing Date (SCD) (continued)**

**Example:** The AIP determined, through reconciliation with another USDA agency, that the insured failed to report all SBIs and applicable identification numbers more than 60 days after the SCD. The correction was made after the 60 day deadline. Therefore, the AIP should reduce the insured's coverage by the percentage of interest held by the unreported SBI, but does not correct the policy to include the missing SBI in the current crop year. By the SCD of the subsequent crop year, the AIP must correct the policy to include the unreported SBI, if the person remains a SBI to the policy.

**Exception:** If the insured can provide evidence that the error was made by the AIP or someone from the USDA, this information may be corrected at any time and is not subject to the timing limitations and paragraph 2.

#### **B. Errors on the Acreage Report**

##### **(1) Authority to Correct**

An AIP may determine, through its own internal review or reconciliation activities with any USDA agency, an error exists in the information reported by the insured on the Acreage Report, or other forms that must be submitted by the Acreage Reporting Date (ARD). Provided no condition in paragraph 2 exists, when the AIP determines information on such forms to be incorrect, the AIP is allowed to correct such errors in order to reflect the information correctly reported by the insured and that is consistent with any USDA program. Procedures for corrections to the Acreage Report contained in the Loss Adjustment Manual continue to apply, e.g. inspections.

**Note:** Errors made on the Acreage Report for information that was originally reported on the Application are not provided an additional 30 days following the ARD to make those corrections. For example, an error in the reported identification number on the Application and Acreage Report must be corrected up to 60 days following the SCD. This error cannot be corrected on the Acreage Report.

### **3 USDA Reconciliation Errors Continued**

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#### **B. Errors on the Acreage Report (continued)**

##### **(2) Timing of Correction**

Provided no condition in paragraph 2 exists, when the AIP determines that an error exists, the AIP may correct the error up to 30 days following the current ARD. If the error is discovered more than 30 days following the ARD, or is not corrected up to 30 days following the ARD or a condition in paragraph 2 exists, the error must be corrected by the SCD of the subsequent crop year, if applicable. [See example in paragraph 3A(2).]

**Exception:** If the applicant/insured can provide evidence that the error was committed by the AIP or someone from the USDA, the information may be corrected at any time and is not subject to the limitations in paragraph 2.

### **4 Farm Service Agency (FSA) Conforming Corrections**

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#### **A. Authority to Correct**

Provided no condition in paragraph 2 exists, if the FSA corrects an error of producer reported information in its data, an AIP is authorized to make similar conforming corrections to its data when the AIP determines the FSA correction is accurate. The AIP may not rely on Comprehensive Information Management System (CIMS) data without further verification.

**Example 1:** An AIP discovers that FSA has corrected its data for Joe Farmer, individual reporting a SSN, to Farmer Trust, reporting an EIN. The producer has previously reported to the AIP that he is Joe Farmer, individual, reporting an SSN. Upon further review, the AIP determines that the FSA correction is accurate. In this example, the AIP may make a subsequent conforming correction to its data to be consistent with FSA.

**Example 2:** An AIP discovers that FSA has corrected its data for Farmer Trust to Joe Farmer, individual, reporting a social security number (SSN). The insured has also reported to the AIP as a Farmer Trust with an employer identification number and Joe Farmer as the sole SBI. Upon further review, the AIP determines that Farmer Trust has the insurable interest because the crop is sold as Farmer Trust. In this example, a change in the AIPs information is not made because its information is correct.

#### **4 Farm Service Agency (FSA) Conforming Corrections Continued**

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##### **B. Timing of Correction**

The AIP must make the conforming correction up to 30 days following the date that FSA corrects its information. If the conforming error correction is not discovered and/or corrected up to 30 days following the FSA correction date, the error must be corrected by the SCD of the subsequent crop year, if applicable.

#### **5 Electronic Transmission Errors**

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The AIP may correct electronic transmission errors made by the crop insurance agent or any other USDA agency to the extent that an agent or AIP relied upon the erroneous information for crop insurance purposes at any time.

#### **6 Correctable Information**

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The corrections authorized under this procedure are in addition to and/or expand the time frame for, corrections authorized by other RMA policy and procedures, which include, but are not limited to:

##### **A. Basic Policy Information**

Any general information about the insured or SBI, including any basic policy information that is reported incorrectly to the RMA or AIP, such as the spelling of insured or insured's SBI name, mailing address, or telephone number may be corrected. Basic policy information does not include information that affects the eligibility of the insured, the insurance guarantee, premium adjustments or indemnity calculations. These errors may be corrected at any time.

##### **B. Person Type**

To obtain insurance, the insured must report their correct person type. If the AIP determines that the person type reported by the insured is incorrect, provided no condition in paragraph 2 exists, the AIP may correct the person type information in accordance with and as authorized by other applicable procedures.

##### **C. Identification Number**

To obtain insurance, the insured must report the correct identification number associated with the person type reported on the application unless an exception has been provided by FCIC procedures. If the AIP determines that the identification number reported by the insured is incorrect, the AIP may correct the identification number in accordance with paragraph 3 and as authorized by other applicable procedures.

**6 Correctable Information Continued**

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**D. Clearly Transposed Information or Errors in Information Committed by the AIP or Someone from USDA**

Any information reported on the application that is clearly transposed or the insured can provide evidence that the error was committed by the AIP or someone from the USDA must be corrected. These errors may be corrected at any time.