
7 U.S. Code § 1515

Program compliance and integrity

(a) Purpose

(1) In general

The purpose of this section is to improve compliance with, and the integrity of, the Federal crop insurance program.

(2) Role of insurance providers

The Corporation shall work actively with approved insurance providers to address program compliance and integrity issues as such issues develop.

(b) Notification of compliance problems

(1) Notification of errors, omissions, and failures

The Corporation shall notify in writing an approved insurance provider of any error, omission, or failure to follow Corporation regulations or procedures for which the approved insurance provider may be responsible and which may result in a debt owed the Corporation.

(2) Time for notification

Notice under paragraph (1) shall be given within 3 years after the end of the insurance period during which the error, omission, or failure is alleged to have occurred, except that this time limitation shall not apply with respect to an error, omission, or procedural violation that is willful or intentional.

(3) Effect of failure to timely notify

Except as provided in paragraph (2), the failure to timely provide the notice required under this subsection shall relieve the approved insurance provider from the debt owed the Corporation.

(c) Reconciling producer information

(1) In general

The Secretary shall develop and implement a coordinated plan for the Corporation and the Farm Service Agency to reconcile all relevant information received by the Corporation or the Farm Service Agency from a producer who obtains crop insurance coverage under this subchapter.

(2) Frequency

Beginning with the 2001 crop year, the Secretary shall require that the Corporation and the Farm Service Agency reconcile such producer-derived information on at least an annual basis in order to identify and address any discrepancies.

(3) Corrections

(A) In general

In addition to the corrections permitted by the Corporation as of the day before February 7, 2014, the Corporation shall establish procedures that allow an agent or an approved insurance provider, subject to

subparagraph (B)—

(i) within a reasonable amount of time following the applicable sales closing date, to correct errors in information that is provided by a producer for the purpose of obtaining coverage under any policy or plan of insurance made available under this subchapter to ensure that the eligibility information is correct and consistent with information reported by the producer for other programs administered by the Secretary;

(ii) within a reasonable amount of time following—

(I) the acreage reporting date, to reconcile errors in the information reported by the producer with correct information determined from any other program administered by the Secretary; or

(II) the date of any subsequent correction of data by the Farm Service Agency made as a result of the verification of information, to make conforming corrections; and

(iii) at any time, to correct electronic transmission errors that were made by an agent or approved insurance provider, or such errors made by the Farm Service Agency or any other agency of the Department of Agriculture in transmitting the information provided by the producer for purposes of other programs of the Department to the extent an agent or approved insurance provider relied upon the erroneous information for crop insurance purposes.

(B) Limitation

In accordance with the procedures of the Corporation, correction to the information described in clauses (i) and (ii) of subparagraph (A) may only be made if the corrections do not allow the producer—

(i) to avoid ineligibility requirements for insurance or obtain a disproportionate benefit under the crop insurance program or any related program administered by the Secretary;

(ii) to obtain, enhance, or increase an insurance guarantee or indemnity if a cause of loss exists or has occurred before any correction has been made, or avoid premium owed if no loss is likely to occur; or

(iii) to avoid an obligation or requirement under any Federal or State law.

(C) Exception to late filing sanctions

Any corrections made within a reasonable amount of time, in accordance with established procedures, pursuant to this paragraph shall not be subject to any late filing sanctions authorized in the reinsurance agreement with the Corporation.

(D) Late payment of debt

In the case of a producer that has inadvertently failed to pay a debt due as specified by regulations of the Corporation and has been determined to be ineligible for crop insurance pursuant to the terms of the policy as a result of that failure, the Corporation may determine to allow the producer to pay the debt and purchase the crop insurance after the sales closing date, in accordance with procedures and limitations established by the Corporation.

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