



Federal Crop
Insurance
Corporation

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November 21, 2024

TO: Board of Directors
Federal Crop Insurance Corporation

FROM: Marcia Bunger */signed/*
Manager

SUBJECT: Manager's Report
Exhibit No. 4825

This is the Manager's Report to the Federal Crop Insurance Corporation (FCIC) Board of Directors (Board) meeting on November 21, 2024.

Program Update

Emergency Procedures for Crops and/or Livestock Damaged by Hurricane Milton (Manager's Bulletin [MGR-24-007](#)) The Risk Management Agency (RMA) authorized emergency procedures to streamline certain determinations to accelerate the adjustment of losses and issuance of indemnity payments to crop insurance policyholders in areas impacted by Hurricane Milton. Hurricane Milton caused historic damage to crops and infrastructure in Florida.

Emergency Procedures for Crops Damaged by Hurricane Helene and Continuing Impacts from Hurricane Debby (Manager's Bulletins [MGR-24-006](#), [MGR-24-006.1](#) and [MGR-24-006.2](#)) RMA authorized emergency procedures to streamline certain determinations to accelerate the adjustment of losses and issuance of indemnity payments to crop insurance policyholders in areas impacted by Hurricane Helene and Hurricane Debby. Hurricane Helene caused catastrophic damage in Alabama, Florida, Georgia, Kentucky, North Carolina, Ohio, South Carolina, Tennessee, Virginia, and West Virginia. There are also continuing impacts from Hurricane Debby in Florida, Georgia, North Carolina, and South Carolina.

2025 Crop Year County Perennial Crop Program Expansion (Manager's Bulletin [MGR-24-005](#)) RMA announced expansion of several perennial crop programs for the 2025 crop year having an August 31 thru December 31 contract change date including blueberries, clams, fresh market tomatoes, and grapes.

Fire Insurance Protection – Smoke Index – Additional Educational Materials Available (Product Management Bulletin [PM-24-061](#)) RMA announced the release of additional education materials on the RMA website that provide more information about how the Fire Insurance Protection – Smoke Index program works, including educational videos, Frequently Asked Questions (FAQs) and maps showing historical smoke event data.

Shellfish Pilot Crop Insurance Program Modifications for the 2025 and Succeeding Crop Years (Product Management Bulletin [PM-24-057](#)) RMA announced changes to the Shellfish Pilot Crop Insurance Program beginning with the 2025 crop year.

Modifications include:

- Expand to an additional 27 counties in seven states;
- Allow insurance on seeds initially purchased smaller than 4mm once they reach the minimum insurable size of 4mm;
- Allow producers to use existing records for coverage in adjacent program counties; and
- Allow alternative yield procedures to be published in Regional Office Underwriting Guides at the Regional Office's discretion to exclude actual yields from the calculation of the approved yield for widespread loss events.

Rainfall Index – Pasture Rangeland, Forage (PRF) Hawaii and Rainfall Index Basic Provisions Changes Effective for the 2025 and Succeeding Crop Years (Product Management Bulletin [PM-24-055](#)) RMA announced the release of the PRF Hawaii pilot program and changes to the Rainfall Index Plan Common Policy, Basic Provisions for 2025 and succeeding crop years for the August 31, 2024, contract change date and for the 2026 crop year for insurance plans with a contract change date prior to August 31, 2024.

Research, Contracts, Studies, and Workgroups

Production and Revenue History (PRH) Fresh Market Beans – Listening sessions were held on November 7 in Virginia and November 8 in North Carolina to gather feedback on program feasibility. Additional listening sessions are expected in Florida and New York.

PRH Plums – Listening sessions webinars were held on October 29 and 30, to gather feedback on program feasibility.

Compliance

RMA Compliance has issued final findings to reinsured companies for the period of September 16, 2024, through November 1, 2024:

- Premium overstatements of \$679,634;
- Indemnity overpayments \$945,161;
- Premium understatements of \$16,080; and
- Indemnity underpayments of \$504,268.

Improper Payment Elimination and Recovery Improvement Act (IPERIA) Reviews- Payment Integrity Information Act (PIIA)

Regional Compliance Offices (RCOs) continue to conduct reviews of the documents submitted by the policyholders and Approved Insurance Providers (AIPs) to determine if any improper payments were made. The deadline for RCOs to submit Initial Findings to the AIPs is December 20, 2024. Of the 388 case policies selected in the IPERIA sample, 237 reviews have been completed and the case policies closed.

Audits

RMA's Accessibility of Crop Insurance Policies entrance conference was on October 5, 2024.

Criminal Recover, Indictments, Convictions, and Guilty Pleas

California Insured and Conspirator Pleads Guilty to Crop Insurance Fraud. A California grape insured and her conspirator plead guilty to committing crop insurance fraud from 2012 through 2016. The insured and conspirator engaged in a fraudulent scheme to obtain crop insurance payments totaling \$650,000 from their insurance company. At the defendant's request, the coconspirator directed employees of their packing house to alter the insured's production records to significantly decrease the amount of production sold to the packing house. The altered/fictitious production records were provided to the approved insurance providers to substantiate their production being presented for claims purposes. The insured agreed to pay \$650,000 in criminal restitution and a separate civil settlement of \$605,000. The insured and conspirator is awaiting sentencing.

Missouri Insured Pleads Guilty to Multi-Million Dollar Crop Insurance Fraud. A Missouri insured plead guilty to a carrying out a multi-million-dollar fraudulent crop insurance scheme from 2018 to 2020 to obtain Federal crop insurance benefits he was not entitled to receive. The insured admitted that to increase his crop insurance loss for 2018 and 2019 he concealed and failed to report to his insurance provider over 1 million bushels of corn and almost 500,000 bushels of soybean production sold to another party. The scheme resulted in \$4,022,123 of false claims being paid to the insured. The insured is awaiting sentencing.

Personnel Announcements

None.