



Federal Crop
Insurance
Corporation

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September 25, 2024

TO: Board of Directors
Federal Crop Insurance Corporation

FROM: Marcia Bunger */signed/*
Manager

SUBJECT: Manager's Report
Exhibit No. 4814

This is the Manager's Report to the Federal Crop Insurance Corporation (FCIC) Board of Directors (Board) meeting on September 25, 2024.

Program Update

Whole-Farm Revenue Protection (WFRP) Pilot Plan of Insurance and Micro Farm Changes Effective for the 2025 and Succeeding Policy Years (Product Management Bulletin [PM-24-056](#)) The Risk Management Agency (RMA) announced the following changes to the WFRP plan of insurance and to the Micro Farm program, applicable for the 2025 and succeeding policy years:

- For WFRP, clarify that for single commodity producers with revenue protection available for their commodity, only the revenue plans under the Common Crop Insurance Policy, Basic Provisions and identified as Revenue Protection or Revenue Protection with Harvest Price Exclusion (plans 02 and 03) in the actuarial documents trigger ineligibility.
- For Micro Farm, allow eligible producers that qualify as Beginning Farmers and Ranchers or Veteran Farmers and Ranchers to use another producer's farm operation records to establish a per acre expected value for an operation they now own or lease.

Actual Revenue History (ARH) Pilot Cherry Insurance Program Changes Effective for the 2025 and Succeeding Crop Years (Product Management Bulletin [PM-24-054](#)) In response to requests for clarification from the industry, R M A revised the provisions regarding the annual price for diverted production in the ARH Tart Cherry for Processing Pilot Crop Provisions. Revisions were also made to the ARH Pilot Endorsement, ARH Sweet Cherry Pilot Crop Provisions, and the ARH Tart Cherry for Processing Crop Provisions to clarify the order of priority in the event of a conflict within the ARH policies and to specify that the Whole Farm unit provisions in the Common Crop Insurance Provisions, Basic Provisions do not apply to the cherry insurance program.

Grapevine Crop Insurance Program Changes Effective for the 2025 and Succeeding Crop Years (Product Management Bulletin [PM-24-050](#)) RMA announced changes to the Grapevine Crop Insurance Program effective for the 2025 and succeeding crop years that include:

- Expand grapevine coverage to 29 additional counties in California;
- Reduce the grafting period required for insurance coverage from 12 to 6 months; and
- Clarify that field grafted vines are insurable.

Fire Insurance Protection - Smoke Index (FIP-SI) Endorsement Effective for the 2025 and Succeeding Crop Years (Product Management Bulletin [PM-24-049](#)) RMA announced the implementation of the new FIP-SI program that will be available initially for the 2025 crop year in California.

Research, Contracts, Studies, and Workgroups

Nothing to report.

Compliance

RMA Compliance has issued final findings to reinsured companies for the period of August 6, 2024 through September 13, 2024:

- Premium overstatements of \$283,894;
- Indemnity overpayments \$935,957;
- Premium understatements of \$51,872; and
- Indemnity underpayments of \$531,900.

Improper Payment Reviews (IPR) - Payment Integrity Information Act

Regional Compliance Offices (RCOs) continue to conduct IPR reviews to determine if any improper payments were made. Of the 388 policies included in the fiscal year (FY) 2025 (Reinsurance Year 2023) IPR sample, 75 have been closed with no improper payments identified. RCOs will continue conducting reviews through the end of October.

Approved Insurance Providers (AIP) Performance Reviews (APRs)

FY 2025 AIP Performance Review will begin on November 4, 2024, with five AIPs that have been identified for review of their performance and compliance with the reinsurance year 2023 Standard Reinsurance Agreement. The AIPs are as follows: American Agricultural Insurance Company, American AgriBusiness Insurance Company, Great American Insurance Company, Palomar Specialty Insurance and Rural Community Insurance Services. The AIPs were notified on August 21, 2024.

Audits

GAO Audit 107174 USDA Financial Assistance to Producers Statement of Facts Exit Conference was on September 5, 2024.

Personnel Announcements

Alex Sereno is the new Director of the Product Administration and Standards Division effective October 6, 2024.