

**Patricia D. Hastings**

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**Sent:** Thursday, May 03, 2007 3:00 PM  
**Subject:** GAO Report on Crop Insurance Released

May 3, 2007: The Government Accountability Office (GAO) today released the following reports, testimony, and correspondence:

**Crop Insurance: Continuing Efforts Are Needed to Improve Program Integrity and Ensure Program Costs Are Reasonable.** GAO-07-819T, May 3. Testimony is posted at [www.gao.gov/cgi-bin/getrpt?GAO-07-819T](http://www.gao.gov/cgi-bin/getrpt?GAO-07-819T). Highlights of testimony are posted at [www.gao.gov/highlights/d07819thigh.pdf](http://www.gao.gov/highlights/d07819thigh.pdf)

Excerpted from the highlights:

"...The U.S. Dept. of Agriculture's (USDA) Risk Management Agency (RMA) administers the federal crop insurance program in partnership with private insurers. In 2006, the program cost \$3.5 billion, including millions in losses from fraud, waste, and abuse, according to USDA. The Agricultural Risk Protection Act of 2000 granted RMA authority to renegotiate the terms of RMA's standard reinsurance agreement with companies once over 5 years..."

"...This testimony is based on GAO's 2005 report, *Crop Insurance: Actions Needed to Reduce Program's Vulnerability to Fraud, Waste, and Abuse...*"

"...Congress has an opportunity in the Farm Bill reauthorization to grant RMA authority to periodically renegotiate the financial terms of its agreement with companies to provide reasonable cost allowances and underwriting gains..."

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