

H. R. 4217

AN ACT

To reform the Federal crop insurance program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE, TABLE OF CONTENTS, AND DEFINI-**
4 **NITIONS.**

5 (a) SHORT TITLE.—This Act may be cited as the
6 “Federal Crop Insurance Reform Act of 1994”.

7 (b) TABLE OF CONTENTS.—The table of contents of
8 this Act is as follows:

- Sec. 1. Short title, table of contents, and definitions.
- Sec. 2. Members of Board of Directors of Federal Crop Insurance Corporation.
- Sec. 3. General powers of Corporation.
- Sec. 4. Personnel.
- Sec. 5. General authority to offer crop insurance.
- Sec. 6. Catastrophic risk protection, buy-up levels, premiums, and yield determinations.
- Sec. 7. Preparation of policies, claims, and reinsurance.
- Sec. 8. Authorization of appropriations and crop insurance fund.
- Sec. 9. Advisory Committee.
- Sec. 10. Noninsured crop disaster assistance.
- Sec. 11. Crop insurance requirements under price support programs.
- Sec. 12. Elimination of gender references.
- Sec. 13. GAO crop insurance provider study.
- Sec. 14. Effective date.

9 (c) DEFINITIONS.—Section 502 of the Federal Crop
10 Insurance Act (7 U.S.C. 1502) is amended—

1 (1) by striking the section heading and “SEC.
2 502.” and inserting the following:

3 **“SEC. 502. PURPOSE AND DEFINITIONS.**

4 “(a) PURPOSE.—”; and

5 (2) by adding at the end the following new sub-
6 section:

7 “(b) DEFINITIONS.—For purposes of this title:

8 “(1) SECRETARY.—The term ‘Secretary’ means
9 the Secretary of Agriculture.

10 “(2) CORPORATION.—The term ‘Corporation’
11 means the Federal Crop Insurance Corporation es-
12 tablished under section 503.

13 “(3) BOARD.—The term ‘Board’ means the
14 Board of Directors of the Corporation established
15 under section 505(a).

16 “(4) LOSS RATIO.—The term ‘loss ratio’ means
17 the ratio of all sums paid by the Corporation as in-
18 demnities under all crop insurance policies to that of
19 the premiums designated for anticipated losses and
20 a reasonable reserve, not including the portion of the
21 premiums designated for operating and administra-
22 tive expenses.

23 “(5) TRANSITIONAL YIELD.—The term ‘transi-
24 tional yield’ means the maximum average production
25 per acre or equivalent measure that is assigned to

1 acreage for a crop year by the Corporation in ac-
2 cordance with its regulations whenever the producer
3 fails—

4 “(A) to certify that acceptable documenta-
5 tion of production and acreage for that crop
6 year is in the producer’s possession; or

7 “(B) to present such acceptable docu-
8 mentation upon the demand of the Corporation
9 or an insurance company reinsured by the Cor-
10 poration.”.

11 (d) CONFORMING AMENDMENTS.—The Federal Crop
12 Insurance Act (7 U.S.C. 1501 et seq.) is amended—

13 (1) in section 503 (7 U.S.C. 1503), by striking
14 “(herein called the Corporation)”; and

15 (2) in section 505(a) (7 U.S.C. 1505(a)), by
16 striking “(hereinafter called the ‘Board’)”.

17 **SEC. 2. MEMBERS OF BOARD OF DIRECTORS OF FEDERAL**
18 **CROP INSURANCE CORPORATION.**

19 Section 505(a) of the Federal Crop Insurance Act (7
20 U.S.C. 1505(a)) is amended in the second sentence—

21 (1) by striking “or Assistant Secretary” the
22 first place it appears; and

23 (2) by striking “the Under Secretary or Assist-
24 ant Secretary of Agriculture responsible for the farm
25 credit programs of the Department of Agriculture”

1 and inserting “one additional Under Secretary of
2 Agriculture (as designated by the Secretary of Agri-
3 culture)”.

4 **SEC. 3. GENERAL POWERS OF CORPORATION.**

5 (a) CLAIMS SETTLEMENT.—Section 506 of the Fed-
6 eral Crop Insurance Act (7 U.S.C. 1506) is amended—

7 (1) by redesignating subsections (j), (k), (l),
8 (m), and (n) as subsections (k), (l), (m), (n), and
9 (o), respectively; and

10 (2) by inserting after subsection (i) the follow-
11 ing new subsection:

12 “(j) CLAIMS SETTLEMENT.—The Corporation shall
13 have the authority to make final and conclusive settlement
14 and adjustment of any claims made by or against the Cor-
15 poration or the accounts of its fiscal officers.”.

16 (b) REGULATIONS; PREEMPTION.—Subsection (e) of
17 such section is amended—

18 (1) by striking “governing” and inserting “to
19 carry out this title and to govern”; and

20 (2) by adding at the end the following new sen-
21 tence: “State and local laws or rules shall not apply
22 to rules and regulations adopted by the Corporation
23 to the extent that such rules and regulations so pro-
24 vide or to the extent that State and local laws or

1 rules are inconsistent with such rules and regula-
2 tions.”.

3 (c) DEFINITION OF SUBSTANTIAL BENEFICIAL IN-
4 TEREST.—Subsection (m) of such section (as redesignated
5 by subsection (a)(1)) is amended in paragraph (4) by
6 striking “5 percent” and inserting “10 percent”.

7 (d) PENALTY FOR FALSE INFORMATION.—Sub-
8 section (n) of such section (as redesignated by subsection
9 (a)(1)) is amended in paragraph (1) by striking subpara-
10 graph (B) and inserting the following new subparagraph:

11 “(B) disqualify the person—

12 “(i) from purchasing catastrophic risk
13 protection under section 508(b) or partici-
14 pating in the noninsured assistance pro-
15 gram under section 519 for a period not to
16 exceed 2 years; and

17 “(ii) from receiving any other benefit
18 under this title for a period not to exceed
19 10 years.”.

20 (e) ACTUARIAL SOUNDNESS.—Subsection (o) of such
21 section (as redesignated by subsection (a)(1)) is amend-
22 ed—

23 (1) in paragraph (1), by striking “beginning
24 farmers from obtaining adequate Federal crop insur-
25 ance, as determined by the Corporation” and insert-

1 ing “beginning farmers, as determined by the Sec-
2 retary, from obtaining Federal crop insurance”;

3 (2) in paragraph (3), by striking “and” at the
4 end of the paragraph;

5 (3) by redesignating paragraph (4) as para-
6 graph (5); and

7 (4) by inserting after paragraph (3) the follow-
8 ing new paragraph:

9 “(4) establishing a database that contains social
10 security numbers or employee identification numbers
11 of insurance agents and adjusters and using the
12 numbers to identify agents and adjusters who are
13 high risk for actuarial purposes, and for other pur-
14 poses permitted by law; and”.

15 (f) REGULATORY AND PAPERWORK REDUCTION.—
16 Such section is further amended by adding at the end the
17 following new subsection:

18 “(p) REGULATORY AND PAPERWORK REDUCTION.—

19 “(1) CATASTROPHIC RISK PROTECTION.—In de-
20 veloping and carrying out the policies and proce-
21 dures for catastrophic risk protection under section
22 508(b), the Corporation shall minimize, to the maxi-
23 mum extent practicable, the paperwork required and
24 the complexity and costs of procedures governing the

1 application for, and the processing and servicing of,
2 catastrophic risk protection.

3 “(2) OTHER PLANS.—To the extent that the
4 policies and procedures developed under paragraph
5 (1) may be applied to other plans of insurance of-
6 fered under this title without jeopardizing the actu-
7 arial soundness or integrity of the crop insurance
8 program under this title, the Corporation shall apply
9 the policies and procedures to the other plans of in-
10 surance within a reasonable period of time (as deter-
11 mined by the Corporation) after the effective date of
12 this paragraph.

13 “(3) SOLICITATION OF COST INFORMATION AND
14 COST-REDUCTION PROPOSALS.—

15 “(A) COST INFORMATION.—The Corpora-
16 tion shall solicit from private insurance provid-
17 ers and agents information regarding—

18 “(i) their average cost per policy of
19 complying with requirements, regulations,
20 procedures, and processes under this title;
21 and

22 “(ii) the data upon which such costs
23 are determined.

24 “(B) COST-REDUCTION PROPOSALS.—The
25 Corporation shall also solicit from private insur-

1 ance providers and agents proposals for modify-
2 ing or altering the requirements, regulations,
3 procedures, and processes under this title to re-
4 duce their total average cost per policy.

5 “(C) REPORT.—By June 1, 1995, the Cor-
6 poration shall submit a report to Congress con-
7 taining the information received under subpara-
8 graph (A) and an evaluation of the cost-reduc-
9 tion proposals received under subparagraph
10 (B).

11 “(4) COST REDUCTION PLAN.—

12 “(A) PLAN REQUIRED.—Subject to the
13 condition that the Corporation maintain the in-
14 tegrity of the crop insurance program under
15 this title, the Corporation shall include in the
16 report required under paragraph (3) a plan to
17 reduce the average cost per policy incurred by
18 private insurance providers and agents to com-
19 ply with requirements, regulations, procedures,
20 and processes under this title. To the extent
21 practicable, the Corporation shall set a target
22 percentage by which such costs should be re-
23 duced.

24 “(B) IMPLEMENTATION OF PLAN.—Not
25 later than 60 days after submitting the report

1 required under paragraph (3), and in accord-
2 ance with the plan contained in the report, the
3 Corporation shall adopt such measures consist-
4 ent with maintaining the integrity of the crop
5 insurance program under this title as the Cor-
6 poration determines are appropriate—

7 “(i) to improve Corporation liaison
8 with policyholders and private insurance
9 providers; and

10 “(ii) to reduce the average cost per
11 policy to meet the target percentage set by
12 the Corporation.”.

13 (g) IMPROVED PROGRAM COMPLIANCE.—Such sec-
14 tion is further amended by inserting after subsection (p)
15 (as added by subsection (f)) the following new subsection:

16 “(q) PROGRAM COMPLIANCE.—

17 “(1) TIMELINESS.—The Corporation shall work
18 actively with private insurance providers to address
19 program compliance and integrity issues as such is-
20 sues develop.

21 “(2) NOTIFICATION OF COMPLIANCE PROB-
22 LEMS.—The Corporation shall notify in writing any
23 private insurance provider with whom the Corpora-
24 tion has an agreement under this title of any error,
25 omission, or failure to follow Corporation regulations

1 or procedures for which the private insurance pro-
2 vider may be responsible and which may result in a
3 debt owed the Corporation. Such notice shall be
4 given within 3 years of the end of the insurance pe-
5 riod during which the error, omission, or failure is
6 alleged to have occurred, except that such time limit
7 shall not apply with respect to errors, omissions, or
8 procedural violations that are willful or intentional.
9 The failure to timely provide the notice required
10 under this subsection shall relieve the private insur-
11 ance provider from the debt owed the Corporation.”.

12 **SEC. 4. PERSONNEL.**

13 Section 507 of the Federal Crop Insurance Act (7
14 U.S.C. 1507) is amended—

15 (1) in subsection (a), by striking “, and county
16 crop insurance committeemen”;

17 (2) in subsection (c), by striking “, in which
18 case the agent or broker” in the first sentence and
19 all that follows through the period at the end of the
20 second sentence and inserting the following: “, ex-
21 cept that the rate established by the Board to reim-
22 burse approved insurance providers and agents for
23 their administrative and operating costs shall not ex-
24 ceed, for the 1997 crop year, 29 percent of the pre-
25 mium used to define loss ratio under section 502,

1 and for the 1998 and 1999 crops, such reimburse-
2 ment rate shall not exceed 28 percent of the pre-
3 mium used to define loss ratio under section 502.
4 Consistent with the provisions of section 506(p), the
5 Board shall provide regulatory relief to such ap-
6 proved insurance providers and agents in an amount
7 proportional to the reduction in the reimbursement
8 rate established by the Board for the 1997, 1998,
9 and 1999 crop years. No action shall be taken which
10 would jeopardize program integrity, enhance oppor-
11 tunities for fraud or abuse, hinder program expan-
12 sion or diminish quality of service to customers.”;

13 (3) in subsection (d), by striking “, except
14 that” and all that follows through the period at the
15 end of the subsection and inserting a period; and

16 (4) by adding at the end the following new sub-
17 section:

18 “(g) SPECIALTY CROPS COORDINATOR.—The Cor-
19 poration shall establish a senior-level position to be known
20 as the Specialty Crops Coordinator. The Specialty Crops
21 Coordinator shall have primary responsibility for address-
22 ing the needs of specialty crop producers and for providing
23 information and advice in connection with the Corpora-
24 tion’s activities to improve and expand the insurance pro-
25 gram for specialty crops. In carrying out such responsibil-

1 ity, the Specialty Crops Coordinator shall act as the Cor-
2 poration’s liaison with representatives of specialty crop
3 producers and provide the Corporation with the producers’
4 knowledge, expertise, and familiarity with risk manage-
5 ment and production issues pertaining to specialty crops.
6 The Specialty Crops Coordinator shall also use informa-
7 tion collected from Corporation field office directors in
8 States in which specialty crops have a significant economic
9 effect and from other sources, including the extension
10 service and colleges and universities.”.

11 **SEC. 5. GENERAL AUTHORITY TO OFFER CROP INSURANCE.**

12 (a) GENERAL AUTHORITY TO OFFER INSURANCE.—
13 Subsection (a) of section 508 of the Federal Crop Insur-
14 ance Act (7 U.S.C. 1508) is amended to read as follows:

15 “(a) AUTHORITY TO OFFER INSURANCE.—

16 “(1) GENERAL AUTHORITY AND LOSSES COV-
17 ERED.—If sufficient actuarial data are available, as
18 determined by the Board, the Corporation may in-
19 sure (or provide reinsurance for insurers of) produc-
20 ers of agricultural commodities grown in the United
21 States under any plan or plans of insurance deter-
22 mined by the Board to be adapted to the agricul-
23 tural commodity involved. To qualify for coverage
24 under these plans of insurance, the losses of the in-
25 sured commodity shall be due to drought, flood, or

1 other natural disaster, as determined by the Sec-
2 retary.

3 “(2) PERIOD OF COVERAGE.—Except in the
4 case of tobacco, insurance shall not extend beyond
5 the period the insured commodity is in the field. For
6 the purpose of the foregoing sentence, in the case of
7 aquacultural species, the term ‘field’ means the envi-
8 ronment in which the commodity is produced.

9 “(3) EXCLUSIONS.—Insurance provided under
10 this section shall not cover losses—

11 “(A) due to the neglect or malfeasance of
12 the producer;

13 “(B) due to the failure of the producer to
14 reseed to the same crop in those areas and
15 under such circumstances where it is customary
16 to reseed; or

17 “(C) due to the failure of the producer to
18 follow good farming practices, as determined by
19 the Corporation.

20 “(4) EXPANSION TO OTHER AREAS OR SINGLE
21 PRODUCERS.—

22 “(A) AREA EXPANSION.—The Corporation
23 may offer plans of insurance or reinsurance for
24 production of agricultural commodities in the
25 Commonwealth of Puerto Rico, the Virgin Is-

1 lands of the United States, Guam, American
2 Samoa, the Commonwealth of the Northern
3 Mariana Islands, and the Trust Territory of the
4 Pacific Islands in the same manner as provided
5 in this section for production of agricultural
6 commodities in the United States.

7 “(B) PRODUCER EXPANSION.—In areas in
8 the United States or specified in subparagraph
9 (A) where crop insurance is not available for a
10 particular agricultural commodity, the Corpora-
11 tion may offer to enter into a written agree-
12 ment with an individual producer operating in
13 that area for insurance coverage under this title
14 if the producer has actuarially sound data relat-
15 ing to the producer’s production of that com-
16 modity and such data is acceptable to the Cor-
17 poration.

18 “(5) DISSEMINATION OF CROP INSURANCE IN-
19 FORMATION.—The Corporation shall make available
20 to producers through local offices of the Department
21 of Agriculture—

22 “(A) current and complete information on
23 all aspects of Federal crop insurance; and

1 “(B) a listing of insurance agents and
2 companies offering to sell crop insurance in
3 their area.

4 “(6) ADDITION OF NEW AND SPECIALTY
5 CROPS.—

6 “(A) DATA COLLECTION.—Not later than
7 6 months after the date of the enactment of
8 this paragraph, the Secretary shall issue guide-
9 lines for publication in the Federal Register for
10 data collection to assist the Corporation in for-
11 mulating crop insurance policies for new and
12 specialty crops.

13 “(B) ADDITION OF NEW CROPS.—Not later
14 than 1 year after the date of the enactment of
15 this paragraph, and annually thereafter, the
16 Corporation shall report to Congress on the
17 progress and expected timetable for expanding
18 crop insurance coverage under this title to new
19 and specialty crops.

20 “(C) ADDITION OF DIRECT SALE PERISH-
21 ABLE CROPS.—Not later than 1 year after the
22 date of the enactment of this paragraph, the
23 Corporation shall report to Congress on the fea-
24 sibility of offering a crop insurance program de-
25 signed to meet the needs of specialized produc-

1 ers of vegetables and other perishable crops who
2 market through direct marketing channels.”.

3 (b) REPORT ON IMPROVING DISSEMINATION OF
4 CROP INSURANCE INFORMATION.—Not later than 6
5 months after the date of the enactment of this Act, the
6 Federal Crop Insurance Corporation shall submit a report
7 to Congress containing a plan to implement a sound pro-
8 gram for producer education regarding the crop insurance
9 program and for the dissemination of crop insurance infor-
10 mation to producers, as required by section 508(a)(5) of
11 the Federal Crop Insurance Act. Subsequent reports on
12 the progress of the implementation of the program shall
13 be submitted to Congress in 1996 and 1997.

14 **SEC. 6. CATASTROPHIC RISK PROTECTION, BUY-UP COV-**
15 **ERAGE, PREMIUMS, AND YIELD DETERMINA-**
16 **TIONS.**

17 (a) IN GENERAL.—Section 508 of the Federal Crop
18 Insurance Act (7 U.S.C. 1508) is amended—

19 (1) by striking subsections (c), (e), (f), (g), (h),
20 (i), (l), (m), and (n);

21 (2) by redesignating subsections (b) and (d) as
22 subsections (h) and (i), respectively; and

23 (3) by inserting after subsection (a) the follow-
24 ing new subsections:

25 “(b) CATASTROPHIC RISK PROTECTION.—

1 “(1) CATASTROPHIC RISK PROTECTION RE-
2 QUIRED.—The Corporation shall offer to producers
3 of agricultural commodities grown in the United
4 States a catastrophic risk protection plan to indem-
5 nify a producer for crop losses due to loss of yield
6 or prevented planting resulting from drought, flood,
7 or other natural disaster, as determined by the Sec-
8 retary, if the producer is unable to plant other crops
9 for harvest on that acreage for that crop year.

10 “(2) AMOUNT OF COVERAGE.—

11 “(A) IN GENERAL.—Subject to subpara-
12 graph (B), under catastrophic risk protection,
13 the Corporation shall offer producers—

14 “(i) coverage equal to 50 percent loss
15 in yield (determined on an area or individ-
16 ual yield basis as described in subsection
17 (g)) indemnified at 60 percent of the ex-
18 pected market price of the commodity (as
19 determined by the Corporation); or

20 “(ii) other coverage established by the
21 Corporation that is comparable to the cov-
22 erage described in clause (i).

23 “(B) REDUCTION IN ACTUAL PAYMENT.—

24 The amount paid to a producer on a claim
25 under catastrophic risk protection may reflect a

1 reduction that is proportional to the out-of-
2 pocket expenses that are not incurred by the
3 producer as a result of not planting, growing,
4 or harvesting the crop for which the claim is
5 made, as determined by the Corporation.

6 “(3) YIELD AND LOSS BASIS.—Producers shall
7 have the option of purchasing catastrophic risk pro-
8 tection based on either an individual yield and loss
9 basis or on an area yield and loss basis, as described
10 in subsection (g), when both options are offered by
11 the Corporation.

12 “(4) APPLICATION.—To participate in cata-
13 strophic risk protection, producers shall submit an
14 application at the local office of the Department of
15 Agriculture or to a private insurance provider ap-
16 proved by the Corporation.

17 “(5) ADMINISTRATIVE FEE.—

18 “(A) FEE REQUIRED.—Producers shall
19 pay an administrative fee for catastrophic risk
20 protection. The administrative fee for each pro-
21 ducer shall be \$50 per crop per county, but not
22 to exceed \$200 per producer per county up to
23 a maximum of \$600 per producer for all coun-
24 ties in which a producer has insured crops. The
25 administrative fee shall be paid by the producer

1 at the time the producer applies for cata-
2 strophic risk protection.

3 “(B) WAIVER OF FEE.—The Corporation
4 shall waive the administrative fee for limited re-
5 source farmers, as defined by the Corporation.

6 “(C) USE OF FEES.—There are authorized
7 to be appropriated from fees required under
8 subparagraph (A) such sums as may be nec-
9 essary for operating and administrative ex-
10 penses incurred for the delivery of catastrophic
11 risk protection.

12 “(6) COVERAGE OF ALL CROPS.—To be eligible
13 for benefits under any commodity price support, pro-
14 duction adjustment, or conservation program admin-
15 istered by the Department of Agriculture, or for the
16 farmer loan programs of the Farmers Home Admin-
17 istration or any successor of that agency, a producer
18 must obtain at least catastrophic risk protection for
19 each crop of economic significance produced on each
20 farm in any county in which the producer has an in-
21 terest, if insurance is available in the county for
22 those crops. For purposes of this paragraph, the
23 term ‘crop of economic significance’ means a crop
24 that has contributed, or is expected to contribute, 10

1 percent or more of the total expected value of all
2 crops grown by the producer.

3 “(7) COVERAGE UNDER ONE POLICY.—If a pro-
4 ducer applies for catastrophic risk protection for a
5 crop produced by the producer in a county, the pro-
6 ducer shall be required to secure such protection
7 under a single policy.

8 “(8) AUTHORITY TO LIMIT CATASTROPHIC RISK
9 PROTECTION.—The Board may limit the availability
10 of catastrophic risk protection in any county or area,
11 or on any farm, on the basis of the insurance risk
12 involved.

13 “(9) TRANSITIONAL COVERAGE FOR 1995
14 CROPS.—Effective only for the 1995 crops and for
15 which the sales period for crop insurance expires be-
16 fore the date of the enactment of the Federal Crop
17 Insurance Reform Act of 1994, the Corporation
18 shall allow producers of such crops until at least the
19 end of the 6-month period beginning on such date
20 to obtain catastrophic risk protection for such crops.
21 Upon the enactment of such Act, producers who
22 made timely purchases of a crop insurance policy be-
23 fore the date of the enactment of such Act, under
24 the provisions then in effect, shall be eligible for the
25 same benefits to which a producer would be entitled

1 under comparable buy-up coverage under subsection
2 (c).

3 “(c) COVERAGE LEVELS GREATER THAN CATA-
4 STROPHIC RISK PROTECTION.—

5 “(1) BUY-UP COVERAGE GENERALLY.—The
6 Corporation shall offer to producers of agricultural
7 commodities grown in the United States plans of
8 crop insurance providing levels of coverage greater
9 than that available under catastrophic risk protec-
10 tion under subsection (b). Plans of insurance under
11 this subsection shall be known as ‘buy-up coverage’.
12 Producers shall apply to private insurance providers
13 approved by the Corporation for purchase of buy-up
14 coverage if such coverage is available from private
15 insurance providers. If buy-up coverage is unavail-
16 able privately, the Corporation may offer buy-up cov-
17 erage plans of insurance directly to producers. If a
18 producer applies for catastrophic risk protection at
19 an office of the Department of Agriculture but then
20 elects to purchase buy-up coverage under this sub-
21 section, the insurance file for that producer shall be
22 transferred to the approved private insurance pro-
23 vider servicing the buy-up coverage policy.

24 “(2) ADMINISTRATIVE FEE.—

1 “(A) FEE REQUIRED.—If a producer elects
2 to purchase buy-up coverage for a crop at a
3 level less than 65 percent of the recorded or ap-
4 praised average yield indemnified at 100 per-
5 cent of the expected market price, or an equiva-
6 lent coverage, the producer shall pay an admin-
7 istrative fee for such buy-up coverage. Sub-
8 section (b)(5) shall apply in determining the
9 amount and use of the administrative fee or in
10 determining whether to waive the administra-
11 tive fee.

12 “(B) EXCEPTION.—If a producer elects to
13 purchase buy-up coverage for a crop equal to
14 65 percent or more of the recorded or appraised
15 average yield indemnified at 100 percent of the
16 expected market price, or an equivalent cov-
17 erage, the producer shall not be subject to the
18 administrative fee required by this paragraph or
19 subsection (b)(5). If the producer has already
20 paid the administrative fee for a lower level of
21 coverage for that crop, the administrative fee
22 shall be refunded to the producer unless the re-
23 fund would reduce to less than \$200 the total
24 amount of the administrative fees paid by the
25 producer for 2 or more crops in the same coun-

1 ty for which a lower level of coverage is ob-
2 tained.

3 “(3) YIELD AND LOSS BASIS.—Producers shall
4 have the option of purchasing buy-up coverage based
5 on either an individual yield and loss basis or on an
6 area yield and loss basis, as described in subsection
7 (g), when both options are offered by the Corpora-
8 tion.

9 “(4) YIELD ELECTIONS.—Yield coverage shall
10 be made available to the producer on the basis of
11 any yield election that equals or is less than 85 per-
12 cent of the individual yield or 95 percent of the area
13 yield, as determined by the Corporation.

14 “(5) PRICE LEVELS.—

15 “(A) IN GENERAL.—The Corporation shall
16 establish a price level for each commodity on
17 which buy-up coverage is offered that—

18 “(i) shall not be less than the ex-
19 pected market price for the commodity, as
20 determined by the Corporation; or

21 “(ii) at the discretion of the Corpora-
22 tion, may be based on the actual market
23 price at the time of harvest, as determined
24 by the Corporation.

1 “(B) SPECIAL RULE FOR MALTING BAR-
2 LEY.—For malting barley covered by a contract
3 between a producer and a processor, the Cor-
4 poration may offer a plan of insurance that al-
5 lows the producer to select the contract price as
6 the price election if—

7 “(i) the contract is definite as to the
8 quantity and the price;

9 “(ii) the producer submits a copy of
10 the contract with the application for insur-
11 ance prior to the sales closing date for the
12 crop;

13 “(iii) coverage does not exceed the
14 quantity contained in the contract;

15 “(iv) the contracted quantity does not
16 exceed the production guarantee;

17 “(v) the contract is usual and cus-
18 tomary in form and content for the area;

19 “(vi) the processor is completely inde-
20 pendent from the producer; and

21 “(vii) the processor does not have an
22 insurable interest in the crop.

23 “(6) PRICE ELECTIONS.—Subject to paragraph
24 (10), insurance coverage shall be made available to

1 the producer on the basis of any price election that
2 equals or is less than that established by the Board.

3 “(7) LEVEL OF COVERAGE.—Not later than the
4 beginning of the 1996 crop year, the level of cov-
5 erage shall be quoted in terms of dollars per acre.

6 “(8) REDUCTION IN ACTUAL PAYMENT.—The
7 amount paid to a producer on a claim under buy-up
8 coverage may reflect a reduction that is proportional
9 to the out-of-pocket expenses that are not incurred
10 by the producer as a result of not planting, growing,
11 or harvesting the crop for which the claim is made,
12 as determined by the Corporation.

13 “(9) FIRE AND HAIL COVERAGE.—For levels of
14 buy-up coverage equal to 65 percent or more of the
15 recorded or appraised average yield indemnified at
16 100 percent of the expected market price, or an
17 equivalent coverage, the producer may elect to delete
18 from the buy-up coverage any coverage against dam-
19 age caused by fire and hail if the producer obtains
20 an equivalent or greater dollar amount of coverage
21 for damage caused by fire and hail from a private
22 insurance provider. Upon written notice of such elec-
23 tion to the company issuing the policy providing
24 buy-up coverage and submission of evidence of sub-
25 stitute coverage on the commodity insured, the pro-

1 ducer’s premium shall be reduced by an amount de-
2 termined by the Corporation to be actuarially appro-
3 priate, taking into account the actuarial value of the
4 remaining coverage provided by the Corporation. In
5 no event shall the producer be given credit for an
6 amount of premium determined to be greater than
7 the actuarial value of the protection against losses
8 caused by fire and hail that is included in the buy-
9 up coverage for the crop.

10 “(10) LIMITATIONS ON BUY-UP COVERAGE.—
11 The Board may limit the availability of buy-up cov-
12 erage under this subsection in any county or area,
13 or on any farm, on the basis of the insurance risk
14 involved. The Board shall not offer buy-up coverage
15 equal to less than 50 percent of the recorded or ap-
16 praised average yield indemnified at 100 percent of
17 the expected market price, or an equivalent coverage.

18 “(d) PREMIUMS.—

19 “(1) PREMIUMS REQUIRED.—The Corporation
20 shall fix adequate premiums for all its plans of in-
21 surance at such rates as the Board deems actuari-
22 ally sufficient to attain an expected loss ratio of not
23 greater than 1.1.

24 “(2) PREMIUM AMOUNTS.—The premium
25 amounts for catastrophic risk protection under sub-

1 section (b) and buy-up coverage under subsection (c)
2 shall be fixed as follows:

3 “(A) In the case of catastrophic risk pro-
4 tection, the amount of the premium shall be
5 sufficient to cover anticipated losses and a rea-
6 sonable reserve.

7 “(B) In the case of buy-up coverage below
8 65 percent of the recorded or appraised average
9 yield indemnified at 100 percent of the expected
10 market price, or an equivalent coverage, but
11 greater than 50 percent of the recorded or ap-
12 praised average yield indemnified at 100 per-
13 cent of the expected market price, or an equiva-
14 lent coverage, the amount of the premium
15 shall—

16 “(i) be sufficient to cover anticipated
17 losses and a reasonable reserve; and

18 “(ii) include an amount for operating
19 and administrative expenses, as determined
20 by the Corporation, that is less than the
21 amount established for coverage at 65 per-
22 cent of the recorded or appraised average
23 yield indemnified at 100 percent of the ex-
24 pected market price, or an equivalent cov-
25 erage.

1 “(C) In the case of buy-up coverage equal
2 to or greater than 65 percent of the recorded
3 or appraised average yield indemnified at 100
4 percent of the expected market price, or an
5 equivalent coverage, the amount of the premium
6 shall—

7 “(i) be sufficient to cover anticipated
8 losses and a reasonable reserve; and

9 “(ii) include an amount for operating
10 and administrative expenses, as determined
11 by the Corporation, on an industry-wide
12 basis as a percent of the amount of the
13 premium used to define loss ratio under
14 section 502.

15 “(3) PREMIUM REDUCTION.—If a private insur-
16 ance provider determines that it may provide insur-
17 ance more efficiently than the expense reimburse-
18 ment amount established by the Corporation, the
19 private insurance provider may reduce, subject to
20 the approval of the Corporation, the premium
21 charged the insured by an amount corresponding to
22 such efficiency. The private insurance provider shall
23 apply to the Corporation for authority to reduce the
24 premium before making such a reduction, and the

1 reduction shall be subject to the rules, limitations,
2 and procedures established by the Corporation.

3 “(4) INDIVIDUAL AND AREA CROP INSURANCE
4 COVERAGE.—The Corporation shall allow approved
5 insurance providers to offer to producers a plan of
6 insurance that combines both individual yield cov-
7 erage and area yield coverage at a premium rate de-
8 termined by the provider, subject to the following
9 conditions:

10 “(A) The individual yield coverage shall be
11 equal to or greater than catastrophic risk pro-
12 tection, as described in subsection (b).

13 “(B) The combined policy shall include
14 area yield coverage that is offered by the Cor-
15 poration or similar area coverage, as deter-
16 mined by the Corporation.

17 “(C) The Corporation shall provide rein-
18 surance on the area yield portion of the com-
19 bined policy at the request of the provider, ex-
20 cept that the provider shall agree to pay to the
21 producer any portion of the area yield and loss
22 indemnity payment received from the Corpora-
23 tion or a commercial reinsurer that exceeds the
24 individual indemnity payment made by the pro-
25 vider to the producer.

1 “(D) The Corporation shall pay a part of
2 the premium equivalent to—

3 “(i) the amount authorized under sub-
4 section (e)(2) (except provisions regarding
5 operating and administrative expenses);
6 and

7 “(ii) the amount of operating and ad-
8 ministrative expenses authorized by the
9 Corporation for the area yield coverage
10 portion of the combined policy.

11 “(E) The provider shall provide all under-
12 writing services for the combined policy, includ-
13 ing the determination of individual yield cov-
14 erage premium rates, the terms and conditions
15 of the policy, and the acceptance and classifica-
16 tion of applicants into risk categories, subject to
17 subparagraph (F).

18 “(F) The Corporation shall approve the
19 combined policy unless the Corporation deter-
20 mines that the policy is not actuarially sound or
21 that the interests of producers are not ade-
22 quately protected.”.

23 “(e) PAYMENT OF PORTION OF PREMIUM BY COR-
24 PORATION.—

1 “(1) IN GENERAL.—For the purpose of encour-
2 aging the broadest possible participation of produc-
3 ers in the catastrophic risk protection provided
4 under subsection (b) and the buy-up coverage pro-
5 vided under subsection (c), the Corporation shall pay
6 a part of the premium in the amounts provided in
7 this subsection.

8 “(2) AMOUNT OF PAYMENT.—The amount of
9 the premium to be paid by the Corporation shall be
10 as follows:

11 “(A) In the case of catastrophic risk pro-
12 tection, the amount shall be equivalent to the
13 premium established for catastrophic risk pro-
14 tection under subsection (d)(2)(A).

15 “(B) In the case of coverage below 65 per-
16 cent of the recorded or appraised average yield
17 indemnified at 100 percent of the expected mar-
18 ket price, or an equivalent coverage, but greater
19 than 50 percent of the recorded or appraised
20 average yield indemnified at 100 percent of the
21 expected market price, or an equivalent cov-
22 erage, the amount shall be equivalent to the
23 amount of premium established for catastrophic
24 risk protection coverage and the amount of op-

1 erating and administrative expenses established
2 under subsection (d)(2)(B).

3 “(C) In the case of coverage equal to or
4 greater than 65 percent of the recorded or ap-
5 praised average yield indemnified at 100 per-
6 cent of the expected market price, or an equiva-
7 lent coverage, on an individual or area basis,
8 the amount shall be equivalent to an amount
9 equal to the premium established for 50 percent
10 loss in yield indemnified at 75 percent of the
11 expected market price and the amount of oper-
12 ating and administrative expenses established
13 under subsection (d)(2)(C).

14 “(3) STATE SUBSIDY AUTHORIZED.—The
15 Board may enter into agreements with any State or
16 agency of a State under which the State or agency
17 may pay to the approved insurance provider an addi-
18 tional premium subsidy to further reduce the portion
19 of the premium paid by producers in the State.

20 “(f) ELIGIBILITY REQUIREMENTS.—

21 “(1) PERSONS ELIGIBLE.—Except as otherwise
22 provided in this title, no producer may be denied in-
23 surance under this section if the producer meets the
24 definition of person, as defined by the Secretary. In
25 the case of plans of insurance under this title other

1 than catastrophic risk protection, the definition of
2 person shall include a producer who is over 18 years
3 of age or older and has a bona fide insurable inter-
4 est in a crop as an owner, owner-operator, landlord,
5 tenant, or sharecropper.

6 “(2) SALES CLOSING DATE.—A producer who
7 desires to obtain catastrophic risk protection under
8 subsection (b) or buy-up coverage under subsection
9 (c) for a crop shall submit an application by the
10 sales closing date for the crop. The Corporation
11 shall establish sales closing dates to maximize con-
12 venience to producers in obtaining benefits under
13 commodity price support and production adjustment
14 programs of the Department whenever feasible; ex-
15 cept that, in establishing such dates, the Corporation
16 shall ensure that the goal of actuarial soundness for
17 the crop insurance program under this title is met.
18 Beginning with the 1995 crop year, the Corporation
19 shall establish for each insurable crop a sales closing
20 date that is 30 days earlier than the corresponding
21 sales closing date that was established for the 1994
22 crop year.

23 “(3) RECORDS AND REPORTING.—To obtain
24 catastrophic risk protection under subsection (b) or

1 buy-up coverage under subsection (c), a producer
2 shall—

3 “(A) provide, to the extent required by the
4 Corporation, records acceptable to the Corpora-
5 tion of historical acreage and production of the
6 crops for which the insurance is sought or ac-
7 cept a yield determined by the Corporation; and

8 “(B) report acreage planted and prevented
9 from planting by the designated acreage report-
10 ing date for that crop and location as estab-
11 lished by the Corporation.

12 “(4) LIMITATION ON MULTIPLE BENEFITS FOR
13 SAME LOSS.—If a producer who is eligible to receive
14 benefits under catastrophic risk protection under
15 subsection (b) or noninsured crop disaster assistance
16 under section 519 is also eligible to receive assist-
17 ance for the same loss under any other program ad-
18 ministered by the Secretary, the producer shall be
19 required to elect whether to receive benefits under
20 this title or under such other program, but not both.
21 A producer who purchases buy-up coverage under
22 subsection (c) may also receive assistance for the
23 same loss under other programs administered by the
24 Secretary, except that the amount received for the
25 loss under the buy-up coverage together with the

1 amount received under such other programs may not
2 exceed the amount of the producer's actual loss.

3 “(g) YIELD COVERAGE DETERMINATIONS.—

4 “(1) IN GENERAL.—The Corporation shall im-
5 plement crop insurance underwriting rules that en-
6 sure that yield coverage, as specified in this sub-
7 section, is provided to eligible producers obtaining
8 catastrophic risk protection under subsection (b) or
9 buy-up coverage under subsection (c).

10 “(2) INDIVIDUAL YIELD BASIS.—

11 “(A) ACTUAL PRODUCTION HISTORY.—The
12 Corporation shall determine yield coverage
13 using the producer's actual production history
14 over a period of not less than the 4 previous
15 consecutive crop years and not more than 10
16 consecutive crop years. Subject to subparagraph
17 (B), the yield for insurance purposes for the
18 year for which insurance is sought shall be
19 equal to the average of the producer's actual
20 production history during the period considered.

21 “(B) ASSIGNMENT OF YIELD.—Except as
22 provided in subparagraphs (C) and (D), if a
23 producer does not submit adequate documenta-
24 tion of production history to determine crop
25 yield under subparagraph (A), the Corporation

1 shall assign to the producer a yield equal to not
2 less than 65 percent of the transitional yield of
3 the producer (adjusted to reflect actual produc-
4 tion reflected in the records acceptable to the
5 Corporation for continuous years), as specified
6 in regulations issued by the Corporation based
7 on production history requirements.

8 “(C) PILOT PROGRAM OF ASSIGNED
9 YIELDS FOR NEW PRODUCERS.—

10 “(i) PROGRAM REQUIRED.—For each
11 of the 1995 and 1996 crop years, the Cor-
12 poration shall carry out a pilot program to
13 assign to eligible new producers higher as-
14 signed yields than would otherwise be as-
15 signed to such producers under subpara-
16 graph (B). The Corporation shall include
17 in the pilot program 30 counties that are
18 determined by the Corporation to be ade-
19 quate to provide a comprehensive evalua-
20 tion of the feasibility, effectiveness, and de-
21 mand among new producers for increased
22 assigned yields.

23 “(ii) INCREASED ASSIGNED YIELDS.—
24 In the case of an eligible new producer
25 participating in the pilot program, the Cor-

1 poration shall assign to the new producer
2 a yield equal to not less than 110 percent
3 of the transitional yield otherwise estab-
4 lished by the Corporation.

5 “(iii) ELIGIBLE NEW PRODUCER.—
6 The Secretary shall establish a definition
7 of new producer for purposes of determin-
8 ing eligibility to participate in the pilot
9 program.

10 “(D) ALTERNATIVE ASSIGNED YIELDS FOR
11 PRODUCERS OF FEED OR FORAGE.—

12 “(i) FEED OR FORAGE YIELDS.—For
13 the first crop year for which an eligible
14 producer described in clause (ii) obtains
15 catastrophic risk protection under sub-
16 section (b) or buy-up coverage under sub-
17 section (c) for a feed or forage crop, the
18 Corporation shall assign to the producer a
19 yield equal to not less than 80 percent of
20 the transitional yield established by the
21 Corporation (adjusted to reflect the actual
22 production history of the producer) if the
23 producer does not provide satisfactory evi-
24 dence of the yield under subparagraph (A).
25 For not more than three additional years,

1 the Corporation shall provide the producer
2 with a yield based on the greater of—

3 “(I) the producer’s actual pro-
4 duction history for the preceding year
5 (or years if available); and

6 “(II) the assigned yield deter-
7 mined under this clause.

8 “(ii) ELIGIBLE PRODUCERS.—An eli-
9 gible producer referred to in clause (i) is a
10 producer that, as determined by the Sec-
11 retary—

12 “(I) grows the insured feed or
13 forage crop primarily for on-farm use
14 in a livestock, dairy, or poultry oper-
15 ation; and

16 “(II) derives over 50 percent of
17 the producer’s gross farm income
18 from the livestock, dairy, or poultry
19 operation.

20 “(iii) TERMINATION OF AUTHORITY.—
21 The authority provided by this subpara-
22 graph shall apply only during the 1995
23 through 1998 crop years.

24 “(3) AREA YIELD BASIS.—The Corporation may
25 offer a crop insurance plan based on an area yield

1 that allows an insured producer to qualify for an in-
2 demnity if a loss occurs in an area, as specified by
3 the Corporation, in which the farm of the producer
4 is located. Under an area yield plan, an insured pro-
5 ducer shall be allowed to select the level of area pro-
6 duction at which an indemnity will be paid consist-
7 ent with the terms and conditions established by the
8 Corporation.

9 “(4) COMMODITY-BY-COMMODITY BASIS.—A
10 producer may choose between either individual yield
11 or area yield coverage, where available, on a com-
12 modity-by-commodity basis.”.

13 (b) CONFORMING AMENDMENTS.—

14 (1) REPEAL OF EXISTING CROP INSURANCE
15 YIELD COVERAGE.—Section 508A of the Federal
16 Crop Insurance Act (7 U.S.C. 1508A) is repealed.

17 (2) PREEMPTION.—Section 511 of such Act (7
18 U.S.C. 1511) is amended by adding at the end the
19 following sentence: “The Corporation’s contracts of
20 insurance and the contracts of insurance reinsured
21 by the Corporation shall be exempt from taxation
22 imposed by any State, municipality, or local taxing
23 authority.”.

24 (3) PERSONS UNDER 21 YEARS OF AGE.—Sec-
25 tion 520 of such Act (7 U.S.C. 1520) is repealed.

1 **SEC. 7. PREPARATION OF POLICIES, CLAIMS, AND REIN-**
2 **SURANCE.**

3 (a) SUBMISSION OF POLICIES.—Subsection (h) of
4 section 508 of the Federal Crop Insurance Act (7 U.S.C.
5 1508), as redesignated by section 6(a)(2), is amended—

6 (1) in paragraph (1), by striking “subsection
7 (a)” and inserting “subsection (c)”; and

8 (2) by striking paragraphs (2), (3), and (4) and
9 inserting the following new paragraphs:

10 “(2) SUBMISSION OF POLICIES.—A policy or
11 other material submitted to the Board under this
12 subsection may be prepared without regard to the
13 limitations contained in this title, including the re-
14 quirements concerning the levels of coverage and
15 rates and the requirement that a price level for each
16 commodity insured must equal the expected market
17 price for the commodity as established by the Board.
18 In the case of such a policy, the payment by the
19 Corporation of a portion of the premium of the pol-
20 icy may not exceed the amount that would otherwise
21 be authorized under subsection (e).

22 “(3) REVIEW AND APPROVAL BY THE BOARD.—
23 A policy or other material submitted to the Board
24 under this subsection shall be reviewed by the Board
25 and, if the Board finds that the interests of produc-
26 ers are adequately protected and that any premiums

1 charged to such producers are actuarially appro-
2 priate, shall be approved by the Board for reinsur-
3 ance and for sale to producers as an additional
4 choice at actuarially appropriate rates and under ap-
5 propriate terms and conditions. The Corporation
6 may enter into more than one reinsurance agree-
7 ment with the private insurance provider simulta-
8 neously to facilitate the offering of such new policies.

9 “(4) GUIDELINES FOR SUBMISSION AND RE-
10 VIEW.—The Corporation shall issue regulations to
11 establish guidelines for the submission and Board
12 review of policies or other material submitted to the
13 Board under this subsection. At a minimum, the
14 guidelines shall ensure the following:

15 “(A) Proposals submitted to the Board
16 under this subsection shall be considered as
17 confidential commercial or financial information
18 for purposes of section 552(b)(4) of title 5,
19 United States Code, until approved by the
20 Board. Proposals disapproved by the Board
21 shall remain confidential commercial or finan-
22 cial information.

23 “(B) The Board shall provide an applicant
24 with the opportunity to present the proposal to
25 the Board in person if the applicant so desires.

1 “(C) The Board shall provide an applicant
2 with notification of intent to disapprove a pro-
3 posal not later than 30 days prior to taking
4 such action. An applicant that receives such no-
5 tification may modify such application, and
6 such modification shall be considered an origi-
7 nal application for purposes of this paragraph.

8 “(D) Specific guidelines shall deal with the
9 timing of submission of proposals under this
10 subsection and timely consideration by the
11 Board so that any approved proposal may be
12 made available to all persons reinsured by the
13 Corporation in a manner permitting them to
14 participate, if they so desire, in offering such a
15 proposal in the first crop year in which it is ap-
16 proved by the Board for reinsurance, premium
17 subsidy, or other support offered by this title.

18 “(5) REQUIRED PUBLICATION.—Any policies,
19 provisions of policies, and rates approved under this
20 subsection shall be published as a notice in the Fed-
21 eral Register and made available to all persons con-
22 tracting with or reinsured by the Corporation under
23 the same terms and conditions as between the Cor-
24 poration and the person originally submitting the
25 policy or other material.”.

1 (b) CLAIMS FOR LOSSES AND REINSURANCE.—Sec-
2 tion 508 of the Federal Crop Insurance Act (7 U.S.C.
3 1508) is further amended—

4 (1) by redesignating subsections (j) and (k) as
5 subsections (l) and (m), respectively; and

6 (2) inserting after subsection (i), as redesignig-
7 nated by section 6(a)(2), the following new sub-
8 sections:

9 “(j) CLAIMS FOR LOSSES.—

10 “(1) IN GENERAL.—Under rules prescribed by
11 the Corporation, the Corporation may provide for
12 adjustment and payment of claims for losses. The
13 rules prescribed by the Corporation shall establish
14 standards to ensure that all claims for losses are ad-
15 justed, to the extent practicable, in a uniform and
16 timely manner.

17 “(2) DENIAL OF CLAIMS.—

18 “(A) IN GENERAL.—Subject to subpara-
19 graph (B), if a claim for indemnity is denied by
20 the Corporation, an action on the claim may be
21 brought against the Corporation or Secretary
22 only in the United States district court for the
23 district in which the insured farm is located.

24 “(B) STATUTE OF LIMITATIONS.—A suit
25 on the claim may be brought not later than 1

1 year after the date on which written notice of
2 denial of the claim is provided to the claimant.

3 “(3) INDEMNIFICATION.—The Corporation shall
4 provide private insurance providers with indemnifica-
5 tion, including costs and reasonable attorney fees in-
6 curred by the private insurance provider, due to er-
7 rors or omissions on the part of the Corporation.

8 “(k) REINSURANCE.—Notwithstanding any other
9 provision of this title, the Corporation shall, to the maxi-
10 mum extent practicable, provide reinsurance to insurers
11 approved by the Corporation that insure producers of any
12 agricultural commodity under a plan or plans acceptable
13 to the Corporation. Such reinsurance shall be provided
14 upon such terms and conditions as the Board may deter-
15 mine to be consistent with subsections (b) and (c) and
16 sound reinsurance principles. The Corporation’s reinsur-
17 ance agreements with the reinsured companies shall re-
18 quire the reinsured companies to bear a sufficient share
19 of any potential loss under such agreement so as to ensure
20 that the reinsured company will sell and service policies
21 of insurance in a sound and prudent manner, taking into
22 consideration the financial condition of the reinsured com-
23 panies and the availability of private reinsurance.”.

24 (c) CROSS REFERENCES.—

1 (1) CLAIMS FOR LOSSES.—Section 506(d) of
2 the Federal Crop Insurance Act (7 U.S.C. 1506(d))
3 is amended in the first sentence by striking “section
4 508(f)” and inserting “section 508(j)”.

5 (2) SUBMISSION OF MATERIALS TO BOARD.—
6 Section 507(c) of such Act (7 U.S.C. 1507(c)) is
7 amended in the last sentence by striking “section
8 508(b)” and inserting “section 508(h)”.

9 (3) DEFINITION OF AGRICULTURAL COMMOD-
10 ITY.—Section 518 of such Act (7 U.S.C. 1518) is
11 amended by striking “or (k)” and inserting “or
12 (m)”.

13 **SEC. 8. AUTHORIZATION OF APPROPRIATIONS AND CROP**
14 **INSURANCE FUND.**

15 Section 516 of the Federal Crop Insurance Act (7
16 U.S.C. 1516) is amended to read as follows:

17 **“SEC. 516. FUNDING.**

18 “(a) AUTHORIZATION OF APPROPRIATIONS FOR COR-
19 PORATION SALARIES AND AGENT COMMISSIONS.—There
20 are hereby authorized to be appropriated such sums as
21 are necessary to cover the salaries and administrative ex-
22 penses of the Corporation and the administrative and op-
23 erating expenses of the Corporation for the sales commis-
24 sions of agents.

25 “(b) CROP INSURANCE FUND.—

1 “(1) ESTABLISHMENT.—There is hereby estab-
2 lished an insurance fund for deposit of premiums
3 collected under section 508(d), income from reinsur-
4 ance operations, and appropriations made available
5 under paragraph (2).

6 “(2) AUTHORIZATION OF APPROPRIATIONS.—
7 There are hereby authorized to be appropriated such
8 sums as may be necessary to carry out the purposes
9 of the insurance fund.

10 “(c) PURPOSES OF INSURANCE FUND.—In such ag-
11 gregate amount as is provided in advance in appropria-
12 tions Acts, the Corporation may use amounts in the insur-
13 ance fund to pay the following:

14 “(1) Beginning with the 1998 crop year, the
15 administrative and operating expenses of approved
16 insurance providers, other than expenses for which
17 funds are authorized to be appropriated under sub-
18 section (a).

19 “(2) All other expenses of the Corporation
20 (other than expenses for which funds are authorized
21 to be appropriated under subsection (a)), including
22 all premium subsidies and indemnities.

23 “(3) For the 1995, 1996, and 1997 crop years,
24 all administrative and expense reimbursements due

1 under a reinsurance agreement with an approved
2 private insurance provider.

3 “(4) Expenses incurred by the Corporation to
4 carry out research and development.

5 “(d) PURCHASE OF AMERICAN-MADE EQUIPMENT
6 AND PRODUCTS.—

7 “(1) SENSE OF CONGRESS.—It is the sense of
8 the Congress that, to the greatest extent practicable,
9 all equipment and products purchased by the Cor-
10 poration using funds made available to the Corpora-
11 tion should be American-made.

12 “(2) NOTICE REQUIREMENT.—In providing fi-
13 nancial assistance to, or entering into any contract
14 with, any entity for the purchase of equipment and
15 products to carry out this title, the Corporation, to
16 the greatest extent practicable, shall provide to such
17 entity a notice describing the statement made in
18 paragraph (1) by the Congress.”.

19 **SEC. 9. ADVISORY COMMITTEE.**

20 The Federal Crop Insurance Act is amended by in-
21 serting after section 514 (7 U.S.C. 1514) the following
22 new section:

1 **“SEC. 515. ADVISORY COMMITTEE FOR FEDERAL CROP IN-**
2 **SURANCE.**

3 “(a) ESTABLISHMENT AND TERMINATION.—The
4 Secretary may establish within the Department of Agri-
5 culture an advisory committee to be known as the Advisory
6 Committee for Federal Crop Insurance. If established, the
7 Advisory Committee shall remain in existence until Sep-
8 tember 30, 1998.

9 “(b) PRIMARY RESPONSIBILITY.—The primary re-
10 sponsibility of the Advisory Committee shall be to advise
11 the Secretary on the implementation of this title and on
12 other issues related to crop insurance, as determined by
13 the Manager.

14 “(c) MEMBERSHIP.—The Advisory Committee shall
15 be composed of the Manager of the Corporation, the Sec-
16 retary (or a designee of the Secretary), and not less than
17 12 members representing organizations and agencies in-
18 volved in the provision of crop insurance under this title.
19 Not less than 3 of the members of the Advisory Committee
20 shall be representatives of the specialty crops industry.
21 The organizations or agencies represented by members on
22 the Advisory Committee may include insurance companies,
23 insurance agents, farm producer organizations, experts on
24 agronomic practices, and banking and lending institutions.

25 “(d) ADMINISTRATIVE PROVISIONS.—

1 “(1) TERMS.—Members of the Advisory Com-
2 mittee shall be appointed by the Secretary for a
3 term of up to 2 years from nominations made by the
4 organizations and agencies specified in subsection
5 (c). The terms of the members shall be staggered.

6 “(2) CHAIRPERSON.—The Advisory Committee
7 shall be chaired by the Manager of the Corporation.

8 “(3) MEETINGS.—The Advisory Committee
9 shall meet at least annually. The meetings of the
10 Advisory Committee shall be publicly announced in
11 advance and shall be open to the public. Appropriate
12 records of the activities of the Advisory Committee
13 shall be kept and made available to the public on re-
14 quest.

15 “(e) REPORTS.—Not later than June 30 of each year,
16 the Advisory Committee shall submit to the Secretary a
17 report specifying its conclusions and recommendations re-
18 garding—

19 “(1) the progress toward implementation of the
20 provisions of this title;

21 “(2) the actuarial soundness of the Federal
22 crop insurance program;

23 “(3) the rate of producer participation in both
24 catastrophic risk protection under section 508(b)
25 and buy-up coverage under section 508(c); and

1 “(4) the progress toward improved crop insur-
2 ance coverage for new and specialty crops.”.

3 **SEC. 10. NONINSURED CROP DISASTER ASSISTANCE.**

4 (a) IN GENERAL.—Section 519 of the Federal Crop
5 Insurance Act (7 U.S.C. 1519) is amended to read as fol-
6 lows:

7 **“SEC. 519. NONINSURED CROP DISASTER ASSISTANCE PRO-**
8 **GRAM.**

9 “(a) ESTABLISHMENT OF PROGRAM.—

10 “(1) ESTABLISHMENT.—In the case of an eligi-
11 ble crop described in paragraph (2), the Corporation
12 shall establish a noninsured crop disaster assistance
13 program to provide coverage equivalent to the cata-
14 strophic risk protection otherwise available under
15 section 508(b).

16 “(2) ELIGIBLE CROPS.—

17 “(A) IN GENERAL.—For purposes of this
18 section, the term ‘eligible crop’ means each
19 commercial crop or other agricultural commod-
20 ity (except livestock)—

21 “(i) for which catastrophic risk pro-
22 tection under section 508(b) is not avail-
23 able; and

24 “(ii) which is produced for food or
25 fiber.

1 “(B) CROPS SPECIFICALLY INCLUDED.—

2 The term ‘eligible crop’ shall include floricult-
3 tural, ornamental nursery, and Christmas tree
4 crops and turfgrass sod.

5 “(3) CAUSE OF LOSS.—To qualify for assist-
6 ance under this section, the losses of the noninsured
7 commodity shall be due to drought, flood, or other
8 natural disaster, as determined by the Secretary.

9 “(b) APPLICATION FOR NONINSURED CROP DISAS-
10 TER ASSISTANCE.—

11 “(1) TIMELY APPLICATION.—To be eligible for
12 assistance under this section, producers shall submit
13 an application for noninsured crop disaster assist-
14 ance at a local office of the Department of Agri-
15 culture. The application shall be in such form, con-
16 tain such information, and be submitted at such
17 time as the Corporation may require.

18 “(2) RECORDS AND REPORTS.—To obtain
19 noninsured crop disaster assistance, a producer
20 shall—

21 “(A) provide records acceptable to the Cor-
22 poration of historical acreage and production of
23 the eligible crops for which assistance is sought
24 or accept a yield determined by the Corpora-
25 tion; and

1 “(B) report acreage planted and prevented
2 from planting by the designated acreage report-
3 ing date for that crop and location as estab-
4 lished by the Corporation.

5 “(3) EXCLUSIONS.—Noninsured crop disaster
6 assistance under this section shall not cover losses
7 due to—

8 “(A) the neglect or malfeasance of the pro-
9 ducer;

10 “(B) the failure of the producer to reseed
11 to the same crop in those areas and under such
12 circumstances where it is customary to reseed;
13 or

14 “(C) the failure of the producer to follow
15 good farming practices, as determined by the
16 Corporation.

17 “(4) REVENUE LIMITATION.—A person who has
18 qualifying gross revenues in excess of \$2,000,000
19 annually, as determined by the Secretary, shall not
20 be eligible to receive any noninsured crop disaster
21 assistance payments. For purposes of this section,
22 the term ‘qualifying gross revenues’ means—

23 “(A) if a majority of the person’s gross
24 revenue is received from farming, ranching, and
25 forestry operations, the gross revenue from the

1 person's farming, ranching, and forestry oper-
2 ations; and

3 "(B) if less than a majority of the person's
4 gross revenue is received from farming, ranch-
5 ing, and forestry operations, the person's gross
6 revenue from all sources.

7 "(c) LOSS REQUIREMENTS.—

8 "(1) REQUIRED AREA LOSS.—A producer of an
9 eligible crop shall not receive noninsured crop disas-
10 ter assistance unless the average yield for that crop,
11 or an equivalent measure in the event yield data are
12 not available, in an area falls below 65 percent of
13 the expected area yield, as established by the Cor-
14 poration.

15 "(2) PREVENTED PLANTING.—Subject to para-
16 graph (1), the Corporation shall make a prevented
17 planting noninsured crop disaster assistance pay-
18 ment if the producer is prevented from planting
19 more than 35 percent of the acreage intended for
20 the eligible crop because of drought, flood, or other
21 natural disaster, as determined by the Secretary.

22 "(3) REDUCED YIELDS.—Subject to paragraph
23 (1), the Corporation shall make a reduced yield
24 noninsured crop disaster assistance payment if the
25 total quantity of the eligible crop that a producer is

1 able to harvest on any farm is, because of drought,
2 flood, or other natural disaster as determined by the
3 Secretary, less than 50 percent of the expected indi-
4 vidual yield for the crop, as determined by the Cor-
5 poration, factored for the producer's interest for the
6 crop.

7 “(d) PAYMENTS.—

8 “(1) REDUCED YIELDS.—If the producer is eli-
9 gible for reduced yield noninsured crop disaster as-
10 sistance, payments shall be made for farm losses in
11 excess of 50 percent of the established farm yield for
12 the eligible crop indemnified at 60 percent of the av-
13 erage market price for that crop, or a comparable
14 coverage as determined by the Corporation. Any eli-
15 gible crop that is produced with significant and vari-
16 able, post-planting expenses, the payment shall be
17 reduced to reflect reduced production costs and har-
18 vesting costs if the crop is not harvested.

19 “(2) PREVENTED PLANTING.—If the producer
20 is eligible for a prevented planting payment under
21 this section, the amount paid to the producer on a
22 claim under this section may reflect a reduction that
23 is proportional to the out-of-pocket expenses that are
24 not incurred by the producer as a result of not
25 planting, growing, or harvesting the crop for which

1 the claim is made, as determined by the Corpora-
2 tion.

3 “(e) YIELD DETERMINATIONS.—

4 “(1) ESTABLISHMENT.—The Corporation shall
5 establish farm yields for purposes of providing
6 noninsured crop disaster assistance under this sec-
7 tion.

8 “(2) ACTUAL PRODUCTION HISTORY.—The Cor-
9 poration shall determine yield coverage using the
10 producer’s actual production history over a period of
11 not less than the 4 previous consecutive crop years
12 and not more than 10 consecutive crop years. Sub-
13 ject to paragraph (3), the yield for the year in which
14 noninsured crop disaster assistance is sought shall
15 be equal to the average of the producer’s actual pro-
16 duction history during the period considered.

17 “(3) ASSIGNMENT OF YIELD.—If a producer
18 does not submit adequate documentation of produc-
19 tion history to determine a crop yield under para-
20 graph (2), the Corporation shall assign to the pro-
21 ducer a yield equal to not less than 65 percent of
22 the transitional yield of the producer (adjusted to re-
23 flect actual production reflected in the records ac-
24 ceptable to the Corporation for continuous years), as

1 specified in regulations issued by the Corporation
2 based on production history requirements.

3 “(4) PROHIBITION ON ASSIGNED YIELDS IN
4 CERTAIN COUNTIES.—If the acreage of a crop in a
5 county has increased by more than 100 percent
6 since the 1987 crop year, a producer who produces
7 that crop on a farm located in that county may not
8 obtain an assigned yield under paragraph (3). In-
9 stead, the producer must provide detailed docu-
10 mentation of production costs, acres planted, and
11 yield (as required by the Corporation) to become eli-
12 gible for a noninsured assistance payment.

13 “(5) LIMITATION ON RECEIPT OF SUBSEQUENT
14 ASSIGNED YIELD.—A producer who receives an as-
15 signed yield for the current year of a natural disas-
16 ter because required production records were not
17 submitted to the local office of the Department shall
18 not be eligible for an assigned yield for the year of
19 the next natural disaster unless the required produc-
20 tion records of the previous 1 or more years (as ap-
21 plicable) are provided to the local office.

22 “(6) YIELD VARIATIONS DUE TO DIFFERENT
23 FARMING PRACTICES.—The Corporation shall ensure
24 that noninsured crop disaster assistance accurately
25 reflects significant yield variations due to different

1 farming practices, such as between irrigated and
2 nonirrigated acreage.

3 “(f) PAYMENT OF LOSSES.—Payments for
4 noninsured crop disaster assistance losses under this sec-
5 tion shall be made from the insurance fund established
6 under section 516. Such losses shall not be included in
7 calculating the premiums charged to producers for insur-
8 ance under section 508.

9 “(g) PAYMENT LIMITATIONS.—The total amount of
10 payments that a person shall be entitled to receive annu-
11 ally under this section may not exceed \$100,000. For pur-
12 poses of applying this limitation, the Secretary shall issue
13 regulations defining the term ‘person’ that shall conform,
14 to the extent practicable, to the regulations defining ‘per-
15 son’ issued under section 1001 of the Food Security Act
16 of 1985 (7 U.S.C. 1308).”.

17 (b) CONFORMING AMENDMENTS.—

18 (1) EXISTING EMERGENCY CROP LOSS ASSIST-
19 ANCE PROGRAM.—Effective July 1, 1995, chapter 3
20 of subtitle B of title XXII of the Food, Agriculture,
21 Conservation, and Trade Act of 1990 (7 U.S.C.
22 1421 note) is amended by striking subchapter A.

23 (2) EMERGENCY APPROPRIATIONS.—Effective
24 July 1, 1995, the Balanced Budget and Emergency
25 Deficit Control Act of 1985 is amended—

1 (A) in section 251(b)(2)(D)(i) (2 U.S.C.
2 901(b)(2)(D)(i)), by adding at the end the fol-
3 lowing new sentence: “The preceding sentence
4 shall not apply to appropriations to cover agri-
5 cultural crop disaster assistance.”; and

6 (B) in section 252(e) (2 U.S.C. 902(e)), by
7 adding at the end the following new sentence:
8 “The preceding sentence shall not apply to di-
9 rect spending provisions to cover agricultural
10 crop disaster assistance.”.

11 **SEC. 11. CROP INSURANCE REQUIREMENTS UNDER PRICE**
12 **SUPPORT PROGRAMS.**

13 (a) RICE.—Section 101B(c) of the Agricultural Act
14 of 1949 (7 U.S.C. 1441–2(c)) is amended—

15 (1) by striking paragraph (1)(F); and

16 (2) by striking paragraph (2) and inserting in
17 lieu thereof the following:

18 “(2) CROP INSURANCE REQUIREMENT.—As a
19 condition of receiving any benefit (including pay-
20 ments) under this section, a producer must obtain at
21 least catastrophic risk protection insurance coverage
22 under section 508(b) of the Federal Crop Insurance
23 Act for the crop and crop year in which the benefit
24 is sought, if such coverage is offered by the Federal
25 Crop Insurance Corporation.”.

1 (b) EXTRA LONG STAPLE COTTON.—Section 103(h)
2 of the Agricultural Act of 1949 (7 U.S.C. 1444(h)) is
3 amended—

4 (1) by redesignating paragraph (16) as para-
5 graph (17) and moving the margin 2 ems to the left;
6 and

7 (2) by inserting after paragraph (15) the fol-
8 lowing new paragraph:

9 “(16) CROP INSURANCE REQUIREMENT.—As a con-
10 dition of receiving any benefit (including payments) under
11 this section, a producer must obtain at least catastrophic
12 risk protection insurance coverage under section 508(b)
13 of the Federal Crop Insurance Act for the crop and crop
14 year in which the benefit is sought, if such coverage is
15 offered by the Federal Crop Insurance Corporation.”.

16 (c) UPLAND COTTON.—Section 103B(c) of the Agri-
17 cultural Act of 1949 (7 U.S.C. 1444–2(c)) is amended—

18 (1) by striking paragraph (1)(F); and

19 (2) by striking paragraph (2) and inserting in
20 lieu thereof the following:

21 “(2) CROP INSURANCE REQUIREMENT.—As a
22 condition of receiving any benefit (including pay-
23 ments) under this section, a producer must obtain at
24 least catastrophic risk protection insurance coverage
25 under section 508(b) of the Federal Crop Insurance

1 Act for the crop and crop year in which the benefit
2 is sought, if such coverage is offered by the Federal
3 Crop Insurance Corporation.”.

4 (d) FEED GRAINS.—Section 105B(c) of the Agricul-
5 tural Act of 1949 (7 U.S.C. 1444f(c)) is amended—

6 (1) by striking paragraph (1)(G); and

7 (2) by striking paragraph (2) and inserting in
8 lieu thereof the following:

9 “(2) CROP INSURANCE REQUIREMENT.—As a
10 condition of receiving any benefit (including pay-
11 ments) under this section, a producer must obtain at
12 least catastrophic risk protection insurance coverage
13 under section 508(b) of the Federal Crop Insurance
14 Act for the crop and crop year in which the benefit
15 is sought, if such coverage is offered by the Federal
16 Crop Insurance Corporation.”.

17 (e) TOBACCO.—Section 106 of the Agricultural Act
18 of 1949 (7 U.S.C. 1445) is amended by striking sub-
19 section (e) and inserting in lieu thereof the following:

20 “(e) CROP INSURANCE REQUIREMENT.—As a condi-
21 tion of receiving any benefit (including payments) under
22 this section, a producer must obtain at least catastrophic
23 risk protection insurance coverage under section 508(b)
24 of the Federal Crop Insurance Act for the crop and crop

1 year in which the benefit is sought, if such coverage is
2 offered by the Federal Crop Insurance Corporation.”.

3 (f) WHEAT.—Section 107B(c) of the Agricultural Act
4 of 1949 (7 U.S.C. 1444b–3a(c)) is amended—

5 (1) by striking paragraph (1)(G); and

6 (2) by striking paragraph (2) and inserting in
7 lieu thereof the following:

8 “(2) CROP INSURANCE REQUIREMENT.—As a
9 condition of receiving any benefit (including pay-
10 ments) under this section, a producer must obtain at
11 least catastrophic risk protection insurance coverage
12 under section 508(b) of the Federal Crop Insurance
13 Act for the crop and crop year in which the benefit
14 is sought, if such coverage is offered by the Federal
15 Crop Insurance Corporation.”.

16 (g) PEANUTS.—Section 108B of the Agricultural Act
17 of 1949 (7 U.S.C. 1445c–3) is amended—

18 (1) by redesignating subsection (h) as sub-
19 section (i); and

20 (2) by inserting after subsection (g) the follow-
21 ing new subsection:

22 “(h) CROP INSURANCE REQUIREMENT.—As a condi-
23 tion of receiving any benefit (including payments) under
24 this section, a producer must obtain at least catastrophic
25 risk protection insurance coverage under section 508(b)

1 of the Federal Crop Insurance Act for the crop and crop
2 year in which the benefit is sought, if such coverage is
3 offered by the Federal Crop Insurance Corporation.”.

4 (h) OILSEEDS.—Section 205 of the Agricultural Act
5 of 1949 (7 U.S.C. 1446f) is amended—

6 (1) by redesignating subsection (n) as sub-
7 section (o); and

8 (2) by inserting after subsection (m) the follow-
9 ing new subsection:

10 “(n) CROP INSURANCE REQUIREMENT.—As a condi-
11 tion of receiving any benefit (including payments) under
12 this section, a producer must obtain at least catastrophic
13 risk protection insurance coverage under section 508(b)
14 of the Federal Crop Insurance Act for the crop and crop
15 year in which the benefit is sought, if such coverage is
16 offered by the Federal Crop Insurance Corporation.”.

17 (i) SUGAR.—Section 206 of the Agricultural Act of
18 1949 (7 U.S.C. 1446g) is amended—

19 (1) by redesignating subsection (j) as sub-
20 section (k); and

21 (2) by inserting after subsection (i) the follow-
22 ing new subsection:

23 “(j) CROP INSURANCE REQUIREMENT.—As a condi-
24 tion of receiving any benefit (including payments) under
25 this section, a producer must obtain at least catastrophic

1 risk protection insurance coverage under section 508(b)
2 of the Federal Crop Insurance Act for the crop and crop
3 year in which the benefit is sought, if such coverage is
4 offered by the Federal Crop Insurance Corporation.”.

5 (j) HONEY.—Section 207 of the Agricultural Act of
6 1949 (7 U.S.C. 1446h) is amended—

7 (1) by redesignating subsection (j) as sub-
8 section (k); and

9 (2) by inserting after subsection (i) the follow-
10 ing new subsection:

11 “(j) CROP INSURANCE REQUIREMENT.—As a condi-
12 tion of receiving any benefit (including payments) under
13 this section, a producer must obtain at least catastrophic
14 risk protection insurance coverage under section 508(b)
15 of the Federal Crop Insurance Act for the crop and crop
16 year in which the benefit is sought, if such coverage is
17 offered by the Federal Crop Insurance Corporation.”.

18 (k) DISASTER PAYMENTS.—Section 208 of the Agri-
19 cultural Act of 1949 (7 U.S.C. 1446i) is repealed.

20 **SEC. 12. ELIMINATION OF GENDER REFERENCES.**

21 (a) MANAGEMENT OF CORPORATION.—Section 505
22 of the Federal Crop Insurance Act (7 U.S.C. 1505) is
23 amended—

24 (1) in subsection (a), by striking the third sen-
25 tence and inserting “The Board shall be appointed

1 by, and hold office at the pleasure of, the Secretary.
2 The Secretary shall not be a member of the Board.”;
3 and

4 (2) in subsection (d)—

5 (A) by striking “upon him”; and

6 (B) by striking “He shall be appointed
7 by,” and inserting “The manager shall be ap-
8 pointed by,”.

9 (b) PERSONNEL.—Section 507 of such Act (7 U.S.C.
10 1507) is amended—

11 (1) in subsection (a), by striking “as he may
12 determine: *Provided, That*” and inserting “as the
13 Secretary may determine appropriate. However,”;
14 and

15 (2) in subsection (d), by striking “as he may re-
16 quest” and inserting “that the Secretary requests”.

17 (c) INDEMNITIES EXEMPT FROM LEVY.—Section
18 509 of such Act (7 U.S.C. 1509) is amended by striking
19 “or his estate” and inserting “or the estate of the in-
20 sured”.

21 **SEC. 13. GAO CROP INSURANCE PROVIDER STUDY.**

22 (a) The General Accounting Office shall, within 2
23 years of enactment, investigate the contractual relation-
24 ships between the Federal Crop Insurance Corporation
25 and approved insurance providers to determine the qual-

1 ity, costs and efficiency of the provision of multiperil crop
2 insurance to producers of agricultural commodities cov-
3 ered under the Federal Crop Insurance Act. The study
4 shall be completed in two parts. The first, to be completed
5 within one year of enactment, shall examine the currently
6 available data to make the determinations required by this
7 section. The second part shall examine the changes that
8 occur because of expansion of the program as participation
9 increases.

10 (b) This study shall include, but not be limited to,
11 an investigation of providers' actual cost of delivery of
12 multiperil crop insurance for which providers receive reim-
13 bursement from the Corporation, cost differences for dif-
14 ferent provider firm sizes, and changes in cost resulting
15 from expansion of the program. The study shall also com-
16 pare delivery costs of multiperil crop insurance to other
17 insurance coverage that the provider may sell and identify
18 any cross-subsidization from federally reimbursed delivery
19 to delivery costs of other insurance coverage.

20 (c) The study shall assess, to the extent practicable,
21 alternative methods of reimbursing delivery costs to pro-
22 viders. In addition, the study shall identify unnecessary
23 expenditure, if any, required by the Corporation for com-
24 pliance and program integrity.

1 (d) In addition, the study shall include, but not be
2 limited to, the provisions of the standard reinsurance
3 agreement between the Corporation and approved provid-
4 ers including the risk transferred to Corporation under the
5 terms of the agreement, the return on providers' capital,
6 a determination of the return on capital relative to dif-
7 ferences in provider firm size, and a determination of the
8 return on providers' capital in multiperil crop insurance
9 relative to other insurance coverage.

10 (e) The study shall assess, to the extent practicable,
11 the potential for provider firm concentration in the
12 multiperil crop insurance industry and any economic dis-
13 tortions that might occur from such concentration.

14 (f) In conducting this study, the General Accounting
15 Office shall maintain the privacy of provider proprietary
16 information. The General Accounting Office shall have full
17 powers to subpoena any required information from any
18 provider firm.

19 **SEC. 14. EFFECTIVE DATE.**

20 Except as provided in section 10(b) and section 13,
21 this Act and the amendments made by this Act shall take
22 effect on the date of the enactment of this Act and shall
23 apply to the provision of crop insurance under the Federal
24 Crop Insurance Act (7 U.S.C. 1501 et seq.) beginning
25 with the 1995 crop year. With respect to the 1994 crop

1 year, the Federal Crop Insurance Act (as in effect on the
2 day before the date of the enactment of this Act) shall
3 continue to apply.

Passed the House of Representatives August 4,
1994.

Attest:

Clerk.

103^D CONGRESS
2^D SESSION

H. R. 4217

AN ACT

To reform the Federal crop insurance program, and
for other purposes.