

Subpart V—Submission of Policies, Provisions of Policies and Rates of Premium

AUTHORITY: 7 U.S.C. 1506(l), 1506(p).

SOURCE: 64 FR 38542, July 19, 1999, unless otherwise noted.

§ 400.700 Basis, purpose, and applicability.

(a) The Act requires FCIC to issue regulations that establish guidelines for the submission of policies or other material to the FCIC Board under section 508(h) of the Act. These guidelines prescribe the timing, submission and approval process so that the Board may timely consider any submission for approval and, if approved, make it available for sale to producers by any approved insurance provider in the first crop year that the submission is authorized for reinsurance, subsidy, or other financial support that may be available under the Act. These guidelines also authorize FCIC and the Board to monitor the submission to ensure continued compliance with the requirements of the Act, this subpart, and changes required by the Board.

(b) These regulations apply to all applicants.

(c) An applicant may submit for consideration by the Board:

(1) Crop insurance policies that are not currently reinsured or subsidized by FCIC;

(2) Provisions of policies that may amend existing crop insurance policies that are approved by FCIC; or

(3) Rates of premiums for MPC I policies pertaining to wheat, soybeans, field corn, or any other crop authorized by the Secretary of Agriculture.

(d) A policy or other material submitted to the Board under section 508(h) of the Act may be prepared without regard to the limitations contained in the Act. Only the provisions in the Act directly relating to the terms of the insurance policy, such as coverage, premium rates, or price elections, are considered as the limitations referenced in section 508(h) of the Act.

(e) Any FCIC payment of a portion of the premium may not exceed the amount authorized under section 508(e) of the Act, and payment of administra-

tive and operating expense subsidy may not exceed the amount authorized under section 508(d).

§ 400.701 Definitions.

Act. The Federal Crop Insurance Act (7 U.S.C. 1501 *et seq.*).

A&O subsidy. The subsidy for the administrative and operating expenses authorized by the Act and paid by FCIC on behalf of the producer to the insurance provider.

Applicant. Any person who submits a policy, provisions of a policy, or premium rates to the Board for approval under section 508(h) of the Act.

Board. The Board of Directors of FCIC.

FCIC. The Federal Crop Insurance Corporation, a wholly owned government corporation within the United States Department of Agriculture.

Insurance provider. A private insurance company that has been approved by FCIC to provide crop insurance coverage under the Act.

Manager. The Manager of FCIC.

MPCI. The FCIC multiple peril crop insurance policies authorized under the Act and codified in 7 CFR chapter IV.

NASS. National Agricultural Statistics Service, an agency of the United States Department of Agriculture, or a successor agency.

Person. Any individual or legal entity possessing the capacity to contract.

Policy. A crop insurance contract between a person and an insurance provider, consisting of the accepted application, the applicable policy provisions and endorsements, if applicable, and the applicable actuarial material for the insured crop.

Rate of premium. The dollar amount per insured unit or percentage rate per dollar of liability that is needed to pay expected losses and provide for a reasonable reserve.

Replacement program. A crop insurance program that provides coverage at least equal to that provided under the MPC I program with similar terms, conditions, and covered causes of loss approved by the Board under the authority of section 508(h) of the Act.

Revenue insurance. Plans of insurance providing protection against loss of income, which are designated as such by FCIC.