

endorsements, and provisions when purchased by the insured. The amendments are as follows:

1. Section 402.4, subsection 2.(b) specifies that to be eligible for catastrophic coverage a producer must be a person as defined in the crop policy.

2. Section 402.4, subsection 2.(c) provides for the termination of this endorsement if the insured fails to pay the administrative fee, elects to purchase limited or additional coverage, or if the applicable crop policy is terminated or cancelled.

3. Section 402.4, section 3 specifies that a unit is all of the insurable acreage of the insured crop in the county on the date coverage begins for the crop year, in which the insured has a 100 percent (100%) share. Land which is owned by one person and operated by another person on a share basis is considered a separate unit.

4. Section 402.4, subsection 4.(a) specifies that for the 1995 through 1998 crop years, coverage will be equal to fifty percent (50%) of the producer's approved yield indemnified at sixty percent (60%) of the expected market price, or a comparable coverage as established by FCIC.

5. Section 402.4, subsection 4.(b) specifies that for the 1999 and subsequent crop years, coverage will be equal to fifty percent (50%) of the producer's approved yield indemnified at fifty-five percent (55%) of the expected market price, or a comparable coverage as established by FCIC.

6. Section 402.4, subsection 4.(d) allows the insured the option of selecting catastrophic risk coverage, on a commodity-by-commodity basis, on either an individual yield and loss basis or an area yield and loss basis, if both options are offered in the Actuarial Table or Special Provisions.

7. Section 402.4, subsection 5.(a) specifies that the insured will not be responsible to pay a premium for catastrophic coverage.

8. Section 402.4, subsection 5.(b) requires the insured to pay an administrative fee of \$50 per crop per county. Each type or variety specified in subsections 6.(a) and (b) and crop acreage specified in subsection 6.(c) will be considered a separate crop to which separate administrative fees apply. Total administrative fees for all crops insured under any combination of catastrophic coverage and limited coverage will not exceed \$200 per producer per county, up to a maximum of \$600 for all counties in which the producer has crops insured.

9. Section 402.4, subsection 5.(c) specifies that the administrative fee for

catastrophic coverage must be paid to the insurance provider at the time of application and will not be refunded if the insured files a zero acreage report the first crop year for which the application is accepted. For subsequent years, the administrative fee must be paid annually by the acreage reporting date, however, in subsequent years no administrative fee is required if the producer files a bona fide zero acreage report on or before the acreage reporting date. The administrative fee will be waived for a limited resource farmer.

10. Section 402.4, subsection 5.(d) specifies that the administrative fee will be refunded if, after applying for catastrophic coverage and paying the administrative fee, the producer elects to purchase additional coverage for such crop. Administrative fees will be refunded only if the producer has not purchased catastrophic risk protection and limited coverage in excess of the maximum administrative fee to be paid in the applicable situation.

11. Section 402.4, subsections 6.(a) and (b) specify the insured crop is provided in the applicable crop policy documents, except that each specified type of Stonefruit, Texas Citrus, Florida Citrus, Arizona-California Citrus, Texas Citrus Trees, and Guaranteed Tobacco, and each grape variety grown in California specified in the Special Provisions, that the producer elects to insure, will be insured as a separate crop.

12. Section 402.4, subsection 6.(c) specifies that if the producer purchased limited or additional coverage for a crop, the producer may separately insure acreage that has been designated as high risk by FCIC provided that the producer has executed a high risk exclusion option under that policy and obtained a catastrophic risk protection policy with the same approved insurance provider and pays separate administrative fees for each policy in effect.

13. Section 402.4, section 7 specifies that a replant payment will not be paid whether or not replanting is required under the policy.

14. Section 402.4, subsection 8.(a) specifies that if a unit contains acreage to which more than one expected market price applies for a type, variety, class, etc., that the dollar amount of insurance and the dollar amount of production to be counted will be computed separately for each type, variety, class, etc., that have separate expected market prices, and then added together to determine the total liability for the unit.

15. Section 402.4, subsection 8.(b) specifies that if the producer is eligible

to receive an indemnity under the Catastrophic Risk Protection Endorsement and is also eligible to receive benefits for the same loss under other USDA programs, the producer must elect the program from which to receive benefits. Only one payment or program benefit will be allowed.

16. Section 402.4, section 9 specifies that if a producer conceals or misrepresents any material fact or commits fraud, the policy will be voided effective with the beginning of the crop year for which such act or omission occurred.

17. Section 402.4, subsection 10.(a) specifies that any option or endorsement which provides additional coverage is not available, except for the Late Planting Agreement Option. Written agreements are not available under the Catastrophic Risk Protection Endorsement.

18. Section 402.4, subsection 10.(b) specifies that hail and fire coverage and land designated by FCIC as high-risk may not be excluded under this Endorsement.

19. Section 402.4, section 11 specifies that a producer must obtain at least catastrophic coverage for each crop of economic significance to be eligible for any price support or production adjustment programs, loans or other USDA provided farm credit, or the Conservation Reserve Program. The requirement that the producer obtain at least catastrophic risk protection will apply to all program benefits obtained after October 13, 1994.

List of Subjects in 7 CFR Part 402

Catastrophic Risk Protection Endorsement, insurance provisions.

Interim Rule

For the reasons set out in the preamble, a part 402 is added to chapter IV of title 7 of CFR, effective for the 1995 and succeeding crop years, to read as follows:

PART 402—CATASTROPHIC RISK PROTECTION ENDORSEMENT

Sec.

402.1 General Statement.

402.2 Applicability

402.3 OMB control numbers

402.4 Catastrophic Risk protection endorsement

Authority: 7 U.S.C. 1506(1).

§ 402.1 General statement.

The Federal Crop Insurance Act as amended by the Federal Crop Insurance Reform Act of 1994 (the "Act") requires the Federal Crop Insurance Corporation ("FCIC") to implement a catastrophic risk protection plan of insurance which