

112TH CONGRESS
1ST SESSION

H. R. 3107

To amend the Federal Crop Insurance Act to provide producers with the opportunity to purchase crop insurance coverage based on both an individual yield and loss basis and an area yield and loss basis in order to allow producers to cover all or a portion of their deductible under the individual yield and loss policy, to improve the accuracy of actual production history determinations, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 5, 2011

Mr. NEUGEBAUER introduced the following bill; which was referred to the
Committee on Agriculture

A BILL

To amend the Federal Crop Insurance Act to provide producers with the opportunity to purchase crop insurance coverage based on both an individual yield and loss basis and an area yield and loss basis in order to allow producers to cover all or a portion of their deductible under the individual yield and loss policy, to improve the accuracy of actual production history determinations, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Crop Risk Options
3 Plan Act of 2011”.

4 **SEC. 2. TOTAL COVERAGE OPTION FOR CROP INSURANCE**
5 **BASED ON BOTH AN INDIVIDUAL YIELD AND**
6 **LOSS BASIS AND AN AREA YIELD AND LOSS**
7 **BASIS.**

8 (a) AVAILABILITY OF TOTAL COVERAGE OPTION.—
9 Section 508(c) of the Federal Crop Insurance Act (7
10 U.S.C. 1508(c)) is amended by striking paragraph (3) and
11 inserting the following new paragraph:

12 “(3) YIELD AND LOSS BASIS OPTIONS.—A pro-
13 ducer shall have the option of purchasing additional
14 coverage based on—

15 “(A) INDIVIDUAL YIELD AND LOSS
16 BASIS.—A producer shall have the option of
17 purchasing additional coverage based on an in-
18 dividual yield and loss basis.

19 “(B) AREA YIELD AND LOSS BASIS.—If
20 area coverage is offered by the Corporation in
21 an area, a producer shall have the option of
22 purchasing additional coverage based on an
23 area yield and loss basis instead of an indi-
24 vidual yield and loss basis.

25 “(C) TOTAL COVERAGE OPTION.—If area
26 coverage is offered by the Corporation in an

1 area, a producer shall have the option of pur-
2 chasing additional coverage based on an indi-
3 vidual yield and loss basis, supplemented with
4 coverage based on an area yield and loss basis
5 to cover all or a portion of the deductible under
6 the individual yield and loss policy.”.

7 (b) LEVEL OF COVERAGE.—Section 508(c) of the
8 Federal Crop Insurance Act (7 U.S.C. 1508(c)) is amend-
9 ed by striking paragraph (4) and inserting the following
10 new paragraph:

11 “(4) LEVEL OF COVERAGE.—

12 “(A) DOLLAR DENOMINATION AND PER-
13 CENTAGE OF YIELD.—Except as provided in
14 subparagraph (C), the level of coverage shall be
15 dollar denominated and may be purchased at
16 any level not to exceed 85 percent of the indi-
17 vidual yield or 95 percent of the area yield (as
18 determined by the Corporation).

19 “(B) INFORMATION.—The Corporation
20 shall provide producers with information on cat-
21 astrophic risk and additional coverage in terms
22 of dollar coverage (within the allowable limits of
23 coverage provided in this paragraph).

24 “(C) TOTAL COVERAGE OPTION.—

1 “(i) IN GENERAL.—Notwithstanding
2 subparagraph (A), in the case of the total
3 coverage option described in paragraph
4 (3)(C), the Corporation shall offer pro-
5 ducers the opportunity to purchase cov-
6 erage in combination with a policy or plan
7 of insurance offered under this Act that
8 would allow indemnities to be paid to a
9 producer equal to some or all of the de-
10 ductible under such policy or plan of insur-
11 ance, if sufficient area data is available (as
12 determined by the Corporation).

13 “(ii) TRIGGER.—The coverage de-
14 scribed in paragraph (3)(C) and clause (i)
15 would be triggered only if the losses in the
16 area exceed 10 percent of normal levels (as
17 determined by the Corporation).

18 “(iii) LIMITATION.—Indemnities paid
19 under the coverage described in paragraph
20 (3)(C) and clause (i) cannot exceed the
21 amount of the deductible applicable under
22 the underlying policy or plan of insur-
23 ance.”.

24 (c) PREMIUM.—Section 508(d)(2)(B) of the Federal
25 Crop Insurance Act (7 U.S.C. 1508(d)(2)(B)) is amended

1 by inserting after “not based on individual yield” the fol-
2 lowing: “or that combines an individual yield and loss
3 basis and an area yield and loss basis”.

4 (d) PAYMENT OF PORTION OF PREMIUM BY COR-
5 PORATION.—Section 508(e)(2) of the Federal Crop Insur-
6 ance Act (7 U.S.C. 1508(e)(2)) is amended by adding at
7 the end the following new subparagraph:

8 “(H) In the case of the total coverage op-
9 tion described in subsection (c)(3)(C), the
10 amount shall be equal to not less than 60 per-
11 cent of the additional premium associated with
12 this coverage.”.

13 (e) EFFECTIVE DATE.—The Federal Crop Insurance
14 Corporation shall begin to provide additional coverage
15 based on an individual yield and loss basis, supplemented
16 with coverage based on an area yield and loss basis, not
17 later than one year after the date of the enactment of this
18 Act.

19 **SEC. 3. DETERMINATION OF ACTUAL PRODUCTION HIS-**
20 **TORY.**

21 (a) USE OF SEVEN-YEAR OLYMPIC AVERAGE.—Sec-
22 tion 508(g)(2)(A) of the Federal Crop Insurance Act (7
23 U.S.C. 1508(g)(2)(A)) is amended by striking “10 con-
24 secutive crop years” and inserting “7 consecutive crop
25 years (excluding the year in which the actual production

1 history is greatest and the year in which the actual pro-
2 duction history is lowest)”).

3 (b) DATA SOURCES.—Section 508(g)(2) of the Fed-
4 eral Crop Insurance Act (7 U.S.C. 1508(g)(2)) is amended
5 by adding at the end the following new subparagraph:

6 “(E) SOURCES OF YIELD DATA.—To deter-
7 mine yields under this paragraph, the Corpora-
8 tion shall use data collected by the Risk Man-
9 agement Agency or the National Agricultural
10 Statistics Service, or both.”.

○