

that Act by an approved insurance provider to offset the approved insurance provider's risk under a plan or policy of insurance under this chapter.

(Feb. 16, 1938, ch. 30, title V, § 502, 52 Stat. 72; June 21, 1941, ch. 214, § 1, 55 Stat. 255; Aug. 1, 1947, ch. 440, § 4, 61 Stat. 719; Pub. L. 103-354, title I, § 102(a), Oct. 13, 1994, 108 Stat. 3180; Pub. L. 106-224, title I, §§ 122, 141, June 20, 2000, 114 Stat. 377, 389.)

REFERENCES IN TEXT

The Commodity Exchange Act, referred to in subsec. (d)(1)(B), (2), is act Sept. 21, 1922, ch. 369, 42 Stat. 998, as amended, which is classified generally to chapter 1 (§ 1 et seq.) of this title. For complete classification of this Act to the Code, see section 1 of this title and Tables.

AMENDMENTS

2000—Subsec. (c). Pub. L. 106-224, § 122, added subsec. (c).

Subsec. (d). Pub. L. 106-224, § 141, added subsec. (d).

1994—Pub. L. 103-354 substituted "Purpose and definitions" for "Declaration of purpose" in section catchline, designated existing text as subsec. (a) and added heading, and added subsec. (b).

1947—Act Aug. 1, 1947, amended section generally, restating purpose of chapter to improve all agriculture by crop insurance instead of being limited only to wheat.

1941—Act June 21, 1941, substituted "crop" for "wheat-crop" and "agricultural commodities" for "wheat".

EFFECTIVE DATE OF 1994 AMENDMENT

Section 120 of title I of Pub. L. 103-354 provided that: "Except as otherwise provided in this title, this title [enacting sections 1433f, 1515, 1521, and 2008f of this title, amending this section and sections 1441-2, 1444-2, 1444f, 1445b-3a, 1503 to 1509, 1511, 1513, 1516, and 1518 to 1520 of this title, sections 901 and 902 of Title 2, The Congress, and section 1014 of Title 18, Crimes and Criminal Procedure, repealing sections 1446i and 1508a of this title, enacting provisions set out as notes under sections 1501, 1506, and 1508 of this title and sections 901 and 902 of Title 2, and repealing provisions set out as a note under section 1421 of this title] and the amendments made by this title shall become effective on the date of enactment of this Act [Oct. 13, 1994] and shall apply to the provision of crop insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) beginning with the 1995 crop year. With respect to the 1994 crop year, the Federal Crop Insurance Act (as in effect on the day before the date of enactment of this Act) shall continue to apply."

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1506, 1515 of this title.

§ 1503. Federal Crop Insurance Corporation; creation; offices

To carry out the purposes of this chapter, there is hereby created as an agency of and within the Department a body corporate with the name "Federal Crop Insurance Corporation". The principal office of the Corporation shall be located in the District of Columbia, but there may be established agencies or branch offices elsewhere in the United States under rules and regulations prescribed by the Board.

(Feb. 16, 1938, ch. 30, title V, § 503, 52 Stat. 72; Pub. L. 103-354, title I, § 102(b)(1), (4)(A), (B), Oct. 13, 1994, 108 Stat. 3180, 3181.)

AMENDMENTS

1994—Pub. L. 103-354 in first sentence struck out "of Agriculture" after "Department" and "(herein called the Corporation)" before period at end, and in second sentence struck out "of Directors" after "Board".

EFFECTIVE DATE OF 1994 AMENDMENT

Amendment by Pub. L. 103-354 effective Oct. 13, 1994, and applicable to provision of crop insurance under Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) beginning with 1995 crop year, with such Act, as in effect on the day before Oct. 13, 1994, to continue to apply with respect to 1994 crop year, see section 120 of Pub. L. 103-354, set out as a note under section 1502 of this title.

TRANSFER OF FUNCTIONS

Under authority of Ex. Ord. No. 9577, June 29, 1945, Secretary of Agriculture consolidated administration of program of Federal Crop Insurance Corporation in Production and Marketing Administration by Memorandum 1118, Aug. 18, 1945. 1946 Reorg. Plan No. 3, § 501, eff. July 16, 1946, 11 F.R. 7877, 60 Stat. 1100, set out in the Appendix to Title 5, Government Organization and Employees, transferred administration of program of Federal Crop Insurance Corporation to Secretary of Agriculture. In his letter to Congress President stated that purpose of this transfer was to permit Secretary of Agriculture to continue consolidation already effected in Production and Marketing Administration.

Federal Crop Insurance Corporation consolidated with other agencies into Agricultural Conservation and Adjustment Administration for duration of war, see Ex. Ord. No. 9069.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 1502 of this title.

§ 1504. Capital stock of Corporation

(a) Subscription by United States

The Corporation shall have a capital stock of \$500,000,000 subscribed by the United States of America, payment for which shall, with the approval of the Secretary, be subject to call in whole or in part by the Board.

(b) Appropriations

There is authorized to be appropriated such sums as are necessary for the purpose of subscribing to the capital stock of the Corporation.

(c) Issuance of stock to Secretary of the Treasury

Receipts for payments by the United States of America for or on account of such stock shall be issued by the Corporation to the Secretary of the Treasury and shall be evidence of the stock ownership by the United States of America.

(d) Cancellation of receipts; nonliability of Corporation

Within thirty days after September 26, 1980, the Secretary of the Treasury shall cancel, without consideration, receipts for payments for or on account of the stock of the Corporation outstanding on September 26, 1980, and such receipts shall cease to be liabilities of the Corporation.

(Feb. 16, 1938, ch. 30, title V, § 504, 52 Stat. 72; Aug. 25, 1949, ch. 512, §§ 4, 6, 63 Stat. 665; Pub. L. 95-47, June 16, 1977, 91 Stat. 228; Pub. L. 95-181, § 1, Nov. 15, 1977, 91 Stat. 1373; Pub. L. 96-365, title I, § 101, Sept. 26, 1980, 94 Stat. 1312; Pub. L. 103-354, title I, § 102(b)(2), (4)(C), Oct. 13, 1994, 108 Stat. 3180, 3181.)

AMENDMENTS

1994—Subsec. (a). Pub. L. 103-354, § 102(b)(2)(A), (4)(C), struck out “of Agriculture” after “Secretary” and “of Directors of the Corporation” after “Board”.

Subsec. (d). Pub. L. 103-354, § 102(b)(2)(B), struck out “Federal Crop Insurance” before “Corporation outstanding”.

1980—Subsec. (a). Pub. L. 96-365, § 101(a), substituted “\$500,000,000” for “\$200,000,000”.

Subsec. (d). Pub. L. 96-365, § 101(b), added subsec. (d). 1977—Subsec. (a). Pub. L. 95-181 substituted “\$200,000,000” for “\$150,000,000”.

Pub. L. 95-47 substituted “\$150,000,000” for “\$100,000,000”.

1949—Subsec. (a). Act Aug. 25, 1949, § 4, struck out second sentence relating to restoration of impairment of capital stock.

Subsec. (b). Act Aug. 25, 1949, § 6, authorized appropriations for subscribing to corporation’s capital stock in order to offset losses suffered prior to time program was placed on an experimental basis in 1947.

EFFECTIVE DATE OF 1994 AMENDMENT

Amendment by Pub. L. 103-354 effective Oct. 13, 1994, and applicable to provision of crop insurance under Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) beginning with 1995 crop year, with such Act, as in effect on the day before Oct. 13, 1994, to continue to apply with respect to 1994 crop year, see section 120 of Pub. L. 103-354, set out as a note under section 1502 of this title.

EFFECTIVE DATE OF 1980 AMENDMENT

Section 112 of Pub. L. 96-365 provided that: “Except as otherwise provided in this Act, the provisions of this Act amending the Federal Crop Insurance Act [amending sections 1504, 1505 to 1507, 1508, and 1518 of this title and repealing section 1515 of this title] shall become effective on the date of enactment of this Act [Sept. 26, 1980].”

Section 101(a) of Pub. L. 96-365 provided that the amendment made by that section is effective Oct. 1, 1980.

TRANSFER OF FUNCTIONS

Administration of program of Federal Crop Insurance Corporation transferred to Secretary of Agriculture by 1946 Reorg. Plan No. 3, § 501, eff. July 16, 1946, 11 F.R. 7877, 60 Stat. 1100. See note set out under section 1503 of this title.

Wartime consolidation of Federal Crop Insurance Corporation into Agricultural Conservation and Adjustment Administration, see note set out under section 1503 of this title.

CANCELLATION OF OUTSTANDING RECEIPTS FOR STOCK IN EXCESS OF \$27,000,000

Section 5 of act Aug. 25, 1949, provided that: “The Secretary of the Treasury is authorized and directed to cancel, without consideration, outstanding receipts for payments for or on account of the stock of the Corporation in excess of \$27,000,000.”

INSTITUTION OF EXPANDED PROGRAM; PAYMENT OF COST FOR FISCAL YEAR 1950

Section 11 of act Aug. 25, 1949, provided that: “The expanded program authorized herein [sections 1504, 1505, 1506, 1507, and 1508 of this title] shall be instituted beginning with the 1950 crop year, the additional cost for fiscal year 1950 to be financed, pending the appropriation of supplemental funds, from any appropriation available for operating and administrative expenses of the Corporation for such fiscal year.”

§ 1504a. Capitalization of Corporation

The payment for capital stock in the Federal Crop Insurance Corporation shall be effected by transfer of funds on the books of the Treasury Department to the credit of the Corporation.

(June 27, 1940, ch. 437, title I, 54 Stat. 640.)

CODIFICATION

Section was not enacted as part of the Federal Crop Insurance Act which comprises this chapter.

TRANSFER OF FUNCTIONS

Administration of program of Federal Crop Insurance Corporation transferred to Secretary of Agriculture by 1946 Reorg. Plan No. 3, § 501, eff. July 16, 1946, 11 F.R. 7877, 60 Stat. 1100. See note set out under section 1503 of this title.

Wartime consolidation of Federal Crop Insurance Corporation into Agricultural Conservation and Adjustment Administration, see note set out under section 1503 of this title.

§ 1505. Management of Corporation**(a) Board of Directors****(1) Establishment**

The management of the Corporation shall be vested in a Board of Directors subject to the general supervision of the Secretary.

(2) Composition

The Board shall consist of only the following members:

(A) The manager of the Corporation, who shall serve as a nonvoting ex officio member.

(B) The Under Secretary of Agriculture responsible for the Federal crop insurance program.

(C) One additional Under Secretary of Agriculture (as designated by the Secretary).

(D) The Chief Economist of the Department of Agriculture.

(E) One person experienced in the crop insurance business.

(F) One person experienced in reinsurance or the regulation of insurance.

(G) Four active producers who are policy holders, are from different geographic areas of the United States, and represent a cross-section of agricultural commodities grown in the United States, including at least one specialty crop producer.

(3) Appointment of private sector members

The members of the Board described in subparagraphs (E), (F), and (G) of paragraph (2)—

(A) shall be appointed by, and hold office at the pleasure of, the Secretary;

(B) shall not be otherwise employed by the Federal Government;

(C) shall be appointed to staggered 4-year terms, as determined by the Secretary; and

(D) shall serve not more than two consecutive terms.

(4) Chairperson

The Board shall select a member of the Board to serve as Chairperson.

(b) Vacancies

Vacancies in the Board so long as there shall be four members in office shall not impair the powers of the Board to execute the functions of the Corporation, and four of the members in office shall constitute a quorum for the transaction of the business of the Board.

(c) Compensation

The Directors of the Corporation who are employed in the Department shall receive no addi-