

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.

ADDITIONAL APPROPRIATION

Act Dec. 23, 1944, ch. 713, §6, 58 Stat. 920, provided an additional appropriation not to exceed \$3,000,000 to be available for the fiscal year 1945 to carry out the provisions of this chapter for the fiscal years 1943 and 1944.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1505, 1507, 1508, 1515, 1522 of this title.

§ 1517. Separability

The sections of this chapter and subdivisions of sections are declared to be separable, and in the event any one or more sections or parts of the same of this chapter be held to be unconstitutional, the same shall not affect the validity of other sections or parts of sections of this chapter.

(Feb. 16, 1938, ch. 30, title V, §517, 52 Stat. 77.)

§ 1518. “Agricultural commodity” defined

“Agricultural commodity”, as used in this chapter, means wheat, cotton, flax, corn, dry beans, oats, barley, rye, tobacco, rice, peanuts, soybeans, sugar beets, sugar cane, tomatoes, grain sorghum, sunflowers, raisins, oranges, sweet corn, dry peas, freezing and canning peas, forage, apples, grapes, potatoes, timber and forests, nursery crops, citrus, and other fruits and vegetables, nuts, tame hay, native grass, aquacultural species (including, but not limited to, any species of finfish, mollusk, crustacean, or other aquatic invertebrate, amphibian, reptile, or aquatic plant propagated or reared in a controlled or selected environment), or any other agricultural commodity, excluding stored grain, determined by the Board, or any one or more of such commodities, as the context may indicate.

(Feb. 16, 1938, ch. 30, title V, §518, as added June 21, 1941, ch. 214, §9, 55 Stat. 256; amended Dec. 23, 1944, ch. 713, §4, 58 Stat. 919; Aug. 25, 1949, ch. 512, §9, 63 Stat. 665; Pub. L. 96-365, title I, §111, Sept. 26, 1980, 94 Stat. 1319; Pub. L. 102-237, title VI, §601(6), Dec. 13, 1991, 105 Stat. 1878; Pub. L. 103-354, title I, §119(f)(3), Oct. 13, 1994, 108 Stat. 3208; Pub. L. 106-224, title I, §132(b), June 20, 2000, 114 Stat. 386.)

PRIOR PROVISIONS

A former section 1518, act Feb. 16, 1938, ch. 30, title V, §518, 52 Stat. 77, was transferred to section 1519 of this title at the time of the renumbering of such section 518 of act Feb. 16, 1938, as section 519 by act June 21, 1941, ch. 214, §9, 55 Stat. 256.

AMENDMENTS

2000—Pub. L. 106-224 struck out “livestock and” before “stored grain” and “under subsection (a) or (m) of section 1508 of this title” after “by the Board”.

1994—Pub. L. 103-354 substituted “(m)” for “(k)” after “subsection (a) or”.

1991—Pub. L. 102-237 substituted “subsection (a) or (k)” for “subsection (a) or (i)”.

1980—Pub. L. 96-365 extended definition of “agricultural commodity” to include tomatoes, grain sorghum, sunflowers, raisins, oranges, sweet corn, dry peas, freezing and canning peas, forage, apples, grapes, nursery crops, and aquacultural species as illustrated but not limited, excluded livestock and stored grain, substituted “sugar cane” for “sugarcane”, and inserted reference to subsec. (i) of section 1508 of this title.

1949—Act Aug. 25, 1949, amended section to correct a clerical error in citation of “subsection (a) of section 1508”.

1944—Act Dec. 23, 1944, increased scope of definition of “agricultural commodity” from “wheat or cotton” to include all crops now set out.

EFFECTIVE DATE OF 2000 AMENDMENT

Amendment by Pub. L. 106-224 effective Oct. 1, 2000, see section 171(b)(1)(A) of Pub. L. 106-224, set out as a note under section 1501 of this title.

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

Amendment by Pub. L. 96-365 effective Sept. 26, 1980, see section 112 of Pub. L. 96-365, set out as a note under section 1504 of this title.

§ 1519. Repealed. Pub. L. 104-127, title I, § 196(j), Apr. 4, 1996, 110 Stat. 950

Section, act Feb. 16, 1938, ch. 30, title V, §519, formerly §518, 52 Stat. 77; renumbered §519, June 21, 1941, ch. 214, §9, 55 Stat. 256; amended Oct. 13, 1994, Pub. L. 103-354, title I, §§111, 112, 108 Stat. 3199, 3202, related to noninsured crop disaster assistance program. See section 7333 of this title.

§ 1520. Producer eligibility

Except as otherwise provided in this chapter, a producer shall not be denied insurance under this chapter if—

(1) for purposes of catastrophic risk protection coverage, the producer is a “person” (as defined by the Secretary); and

(2) for purposes of any other plan of insurance, the producer is 18 years of age and has a bona fide insurable interest in a crop as an owner-operator, landlord, tenant, or sharecropper.

(Feb. 16, 1938, ch. 30, title V, §520, as added Pub. L. 92-357, July 28, 1972, 86 Stat. 501; amended Pub. L. 103-354, title I, §113, Oct. 13, 1994, 108 Stat. 3203.)

AMENDMENTS

1994—Pub. L. 103-354 substituted “Producer eligibility” for “Persons under twenty-one years of age” in section catchline and amended text generally. Prior to amendment, text read as follows: “Notwithstanding any other provision of law, no person shall be denied insurance under this chapter solely on the ground that he is under twenty-one years of age if such person is (1) over eighteen years of age, and (2) has a bona fide insurable interest in a crop as an owner-operator, landlord, tenant or sharecropper: *Provided*, That any such person who enters into a Federal Crop Insurance contract shall be subject to the same legal liability and

have the same legal rights with respect to such contract as any person over the age of twenty-one years.”

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.

§ 1521. Ineligibility for catastrophic risk and non-insured assistance payments

If the Secretary determines that a person has knowingly adopted a material scheme or device to obtain catastrophic risk, additional coverage, or noninsured assistance benefits under this chapter to which the person is not entitled, has evaded this chapter, or has acted with the purposes of evading this chapter, the person shall be ineligible to receive all benefits applicable to the crop year for which the scheme or device was adopted. The authority provided by this section shall be in addition to, and shall not supplant, the authority provided by section 1506(n) of this title.

(Feb. 16, 1938, ch. 30, title V, § 521, as added Pub. L. 103-354, title I, § 114, Oct. 13, 1994, 108 Stat. 3203.)

EFFECTIVE DATE

Section 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 an Effective Date of 1994 Amendment note under section 1502 of this title.

§ 1522. Research and development

(a) Definition of policy

In this section, the term “policy” means a policy, plan of insurance, provision of a policy or plan of insurance, and related materials.

(b) Reimbursement of research, development, and maintenance costs

(1) Research and development reimbursement

The Corporation shall provide a payment to reimburse an applicant for research and development costs directly related to a policy that is—

(A) submitted to the Board and approved by the Board under section 1508(h) of this title for reinsurance; and

(B) if applicable, offered for sale to producers.

(2) Existing plans

The Corporation shall reimburse costs associated with research and development costs directly related to a policy that was approved by the Board prior to June 20, 2000.

(3) Marketability

The Corporation shall approve a reimbursement under paragraph (1) or (2) only after determining that the policy is marketable based on a reasonable marketing plan, as determined by the Board.

(4) Maintenance payments

(A) Requirement

The Corporation shall reimburse maintenance costs associated with the annual cost of underwriting for a policy described in paragraphs (1) and (2).

(B) Duration

Payments with respect to maintenance costs may be provided for a period of not more than four reinsurance years subsequent to Board approval for payment under this subsection.

(C) Options for maintenance

On the expiration of the 4-year period described in subparagraph (B), the approved insurance provider responsible for maintenance of the policy may—

- (i) maintain the policy and charge a fee to approved insurance providers that elect to sell the policy under this subsection; or
- (ii) transfer responsibility for maintenance of the policy to the Corporation.

(D) Fee

(i) Amount

Subject to approval by the Board, the amount of the fee that is payable by an approved insurance provider that elects to sell the policy shall be an amount that is determined by the approved insurance provider maintaining the policy.

(ii) Approval

The Board shall approve the amount of a fee determined under clause (i) for maintenance of the policy unless the Board determines that the amount of the fee—

- (I) is unreasonable in relation to the maintenance costs associated with the policy; or
- (II) unnecessarily inhibits the use of the policy.

(5) Treatment of payment

Payments made under this subsection for a policy shall be considered as payment in full by the Corporation for the research and development conducted with regard to the policy and any property rights to the policy.

(6) Reimbursement amount

The Corporation shall determine the amount of the payment under this subsection for an approved policy based on the complexity of the policy and the size of the area in which the policy or material is expected to be sold.

(c) Research and development contracting authority

(1) Authority

The Corporation may enter into contracts to carry out research and development to—

(A) increase participation in States in which the Corporation determines that—

- (i) there is traditionally, and continues to be, a low level of Federal crop insurance participation and availability; and
- (ii) the State is underserved by the Federal crop insurance program;

(B) increase participation in areas that are underserved by the Federal crop insurance program; and