provides a basic level of insurance coverage to protect producers in the event of a FCIC insured or reinsured crop loss due to loss of yield or prevented planting, if the crop loss or prevented planting is due to an insured cause of loss specified in the crop insurance policy. This Catastrophic Risk Protection Endorsement ("Endorsement") is a continuous endorsement that is effective in conjunction with an applicable crop insurance policy. Catastrophic risk protection coverage will be offered through approved insurance providers and through local offices of the Consolidated Farm Service Agency, USDA.

§ 402.2 Applicability.

This Endorsement is applicable to each crop for which catastrophic risk protection coverage is available and for which the producer elects such coverage. The terms and conditions of the applicable crop insurance policy remain in effect unless they have been modified by this Endorsement.

§ 402.3 OMB control numbers.

The provisions set forth in this interim rule contain new and revised information collections that require clearance by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq.) and have been previously assigned OMB numbers 0563–0001, 0563–0003, and 0563–0029. These information collection requirements have been submitted to OMB and are not effective until approved by OMB.

§ 402.4 Catastrophic Risk Protection Endorsement Provisions

The Catastrophic Risk Protection Endorsement Provisions for the 1995 and succeeding crop years are as follows:

Department of Agriculture

Federal Crop Insurance Corporation

Catastrophic Risk Protection Endorsement

(This is a continuous endorsement). You should be aware that additional coverage is available through an approved insurance provider or through local offices of the Consolidated Farm Service Agency, USDA, when such provider is not available.

If a conflict exists between this Endorsement and any of the policies specified in subsection 2.(a) or the Special Provisions for the insured crop, this endorsement will control.

Terms and Conditions

1. Definitions

(a) Additional coverage—A plan of crop insurance providing a level of coverage equal to or greater than sixty-five percent (65%) of your approved yield indemnified at one

hundred percent (100%) of the expected market price or a comparable coverage as established by FCIC.

(b) Administrative fee—The \$50 fee the policyholder must pay on a per crop and county basis, with a maximum of \$200 per policyholder per county and \$600 per policyholder for catastrophic and limited coverage on an annual basis.

(c) Approved insurance provider—A private insurance company, including their agents, that has been approved and reinsured by FCIC to provide insurance coverage to producers participating in the Federal crop insurance program.

(d) Approved yield—The average amount of production per acre obtained under FCIC's Actual Production History Program (7 CFR Part 400, Subpart G) using production records of the insured or yields assigned by FCIC. At least four crop years of yields must be averaged to obtain the approved yield.

(e) Catastrophic risk protection—The minimal level of coverage offered by FCIC, which is required before a person may qualify for certain other United States Department of Agriculture program benefits (see subsections 4. (a) and (b) and subsection 11.(a)).

(f) CFSA—The Consolidated Farm Service Agency of the United States Department of Agriculture.

(g) County—The county or other political subdivision shown on your accepted application including land in an adjoining county, provided such land is part of a field that extends into the adjoining county and the county boundary is not readily discernable. For peanuts and quota tobacco, the county will also include any land identified by a CFSA farm serial number for the county but physically located in another county.

(h) Crop of economic significance—A crop that has either contributed in the previous crop year, or is expected to contribute in the current crop year, ten percent (10%) or more of the total expected value of your share of all crops in which you have an insurable share that are grown in the county. However, notwithstanding the preceding sentence, if the total expected liability under the catastrophic risk protection endorsement is equal to or less than the administrative fee required for the crop, such crop will not be considered a crop of economic significance.

(i) FCIC—The Federal Crop Insurance Corporation, a wholly owned Government Corporation within the Consolidated Farm Service Agency, United States Department of Agriculture.

(j) "Insurance is available"—Means only those crops for which the crop information is contained in the county actuarial documents.

(k) Limited coverage—A plan of insurance offering coverage that is equal to or greater than fifty percent (50%) of your approved yield indemnified at one hundred percent (100%) of the expected market price, or a comparable coverage as established by FCIC but less than sixty-five percent (65%) of your approved yield indemnified at one hundred percent (100%) of the expected market price, or a comparable coverage as established by FCIC.

(l) Limited resource farmer—A producer or operator of a small or family farm, including a new producer or operator, with an annual gross income of less than \$20,000 derived from all sources of revenue for each of the prior two years and who demonstrates a need to maximize farm income. Notwithstanding the preceding sentence, a producer on a farm of less than 25 acres aggregated for all crops, where the producer derives a majority of the producer's gross income from the farm but the producer's gross income from farming operations does not exceed \$20,000, will be considered a limited resource farmer.

(m) *Price election*—In lieu of any provision contained in any other policy document, price election means sixty percent (60%) of the expected market price for the 1995 through 1998 crop years, and fifty-five percent (55%) of the expected market price for the 1999 and subsequent crop years.

(n) Secretary—The Secretary of the United States Department of Agriculture.

- (o) Share-In lieu of any provision contained in any other policy document, your percentage of interest in the insured crop as owner, operator, or tenant at the time coverage begins. However, only for the purpose of determining the amount of indemnity, your share will not exceed your share at the earlier of the time of loss or the beginning of harvest. Unless the accepted application clearly indicates that insurance is requested for a partnership or joint venture, insurance will only cover the crop share of the person completing the application. The share will not extend to any other person having an interest in the crop except as may otherwise be specifically allowed in this endorsement. Any acreage or interest reported by or for your spouse, child or any member of your household may be considered your share. Leases containing provisions for both a cash or minimum payment and a crop share will be considered a crop share lease.
- (p) *USDA*—The United States Department of Agriculture.
- 2. Eligibility, Life of Policy, Cancellation, and Termination
- (a) You must have one of the following policies in force to elect this Endorsement and you must have made application for catastrophic risk protection on or before the sales closing date for the crop in the county:

(1) The General Crop Insurance Policy (§ 401.8) and crop endorsement;

(2) The Common Crop Insurance Policy (§ 457.8) and crop provisions;

(3) The Group Risk Plan Policy, if available for catastrophic risk protection; or

(4) A specific named crop insurance policy.

(b) You must be a person as defined in the crop policy to be eligible for catastrophic risk protection coverage.

(c) In addition to the provisions specified in the applicable crop endorsement, crop provision, and crop insurance policy, this Endorsement will terminate for the crop year for which:

(1) You fail to pay the applicable administrative fee as specified in subsections 5.(b) and (c):

(2) You elect to purchase limited or additional coverage for the insured crop; or