

(4) Collection of any amount which may be owed by the agent and loss adjuster to the United States.

(b) If the loss adjuster contracting with FCIC to participate in the crop insurance program does not provide the correct SSN on forms or contracts where such SSN is required, the loss adjuster's contract will be cancelled effective on the date of refusal and the loss adjuster will be subject to suspension and debarment in accordance with the suspension and debarment regulations of the United States Department of Agriculture.

(c) If the agent or loss adjuster contracting with an insurance provider, who is also a private insurance company, to participate in the crop insurance program does not provide the correct SSN on forms or contracts where such SSN is required, the premium subsidy payable under the Standard Reinsurance Agreement, or any other reinsurance agreement, will not be paid on those policies lacking the correct SSN.

8. Redesignated § 400.406 is revised to read as follows:

§ 400.406 Insurance provider responsibilities.

The insurance provider is required to collect and record the SSN or EIN on each application or on any other form required by FCIC.

9. Redesignated § 400.407 is revised to read as follows:

400.407 Restricted access.

The Manager, other officer, or employee of FCIC or an authorized person may have access to the SSNs and EINs obtained pursuant to this subpart, only for the purpose of establishing and maintaining a system of records necessary for the effective administration of the Act.

10. Redesignated § 400.408 is revised to read as follows:

§ 400.408 Safeguards and storage.

Records must be maintained in secured storage with proper safeguards sufficient to enforce the restricted access provisions of this subpart.

11. Redesignated § 400.411 is amended by revising the introductory text and paragraph (a) to read as follows:

§ 400.411 Obtaining personal records.

Policyholders, agents, and loss adjusters in the crop insurance program will be able to review and correct their records as provided by the Privacy Act. Records may be requested by:

(a) Mailing a signed written request to the headquarters office of FCIC; the

FCIC Regional Service Office, or the insurance provider; or

* * * * *

12. Redesignated 400.412 is revised to read as follows:

§ 400.412 Record retention.

(a) FCIC or the insurance provider will retain all records of policyholders for a period of not less than 3 years from the date of final action on a policy for the crop year, unless further maintenance of specific records is requested by FCIC. Final actions on insurance policies include conclusion of insurance events, such as the latest of termination of the policy, completion of loss adjustment, or satisfaction of claim.

(b) The statute of limitations for FCIC contract claims may permit litigation to be instituted after the period of record retention. Destruction of records prior to the expiration of the statute of limitations will not provide a defense to any action by FCIC against any private insurance company.

13. Redesignated § 400.413 is revised to read as follow:

§ 400.413 OMB control numbers.

The collecting of information requirements in this subpart has been approved by the Office of Management and Budget and assigned OMB control number 0563-0047.

Signed in Washington, DC., January 10, 1997.

Kenneth D. Ackerman,
Manager, Federal Crop Insurance Corporation.

[FR Doc. 97-1016 Filed 1-14-97; 8:45 am]

BILLING CODE 3410-FA-P

7 CFR Parts 414 and 457

Forage Seeding Crop Insurance Regulations and Common Crop Insurance Regulations; Forage Seeding Crop Insurance Provisions

AGENCY: Federal Crop Insurance Corporation, USDA.

ACTION: Proposed rule.

SUMMARY: The Federal Crop Insurance Corporation (FCIC) proposes specific crop provisions for the insurance of forage seeding. The provisions will be used in conjunction with the Common Crop Insurance Policy Basic Provisions, which contain standard terms and conditions common to most crops. The intended effect of this action is to provide policy changes to better meet the needs of the insured, to include the current forage seeding crop insurance regulations with the Common Crop Insurance Policy for ease of use and

consistency of terms, and to restrict the effect of the current forage seeding crop insurance regulations to the 1997 and prior crop years.

DATES: Written comments, data, and opinions on this proposed rule will be accepted until close of business February 14, 1997 and will be considered when the rule is to be made final.

ADDRESSES: Interested persons are invited to submit written comments to the Chief, Product Development Branch, Federal Crop Insurance Corporation, United States Department of Agriculture, 9435 Holmes Road, Kansas City, MO 64131. Written comments will be available for public inspection and copying in room 0324, South Building, United States Department of Agriculture, 14th and Independence Avenue, SW., Washington, DC, 8:15 a.m. to 4:45 p.m., est, Monday through Friday, except holidays.

FOR FURTHER INFORMATION CONTACT: Richard Brayton, Program Analyst, Research and Development Division, Product Development Branch, Federal Crop Insurance Corporation, at the Kansas City, MO, address listed above, telephone (816) 926-7730.

SUPPLEMENTARY INFORMATION:

Executive Order No. 12866

The Office of Management and Budget (OMB) has determined this rule to be exempt for the purposes of Executive Order No. 12866, and, therefore, this rule has not been reviewed by OMB.

Paperwork Reduction Act of 1995

The amendments set forth in this information collections that require clearance by OMB is "Catastrophic Risk Protection Plan and Related Requirements including, Common Crop Insurance Regulations; Forage Seeding Crop Insurance Provisions." The information to be collected includes: A crop insurance application and acreage report. Information collected from the application and acreage report is electronically submitted to FCIC by the reinsured companies. Potential respondents to this information collection are producers of forage seeding that are eligible for Federal crop insurance.

The information requested is necessary for the reinsured companies and FCIC to provide insurance and reinsurance, determine eligibility, determine the correct parties to the agreement or contract, determine and collect premiums or other monetary amounts, and pay benefits.

All information is reported annually. The reporting burden for this collection

of information is estimated to average 16.9 minutes per response for each of the 3.6 responses from approximately 1,755,015 respondents. The total annual burden on the public for this information collection is 2,669,970 hours.

FCIC is requesting comments on the following: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information gathering technology.

Comments regarding paperwork reduction should be submitted to the Desk Officer for Agriculture, Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

The Office of Management and Budget (OMB) is required to make a decision concerning the collections of information contained in these proposed regulations between 30 and 60 days after submission to OMB.

Therefore, a comment to OMB is best assured of having full effect if OMB receives it within 30 days of publication. This does not affect the deadline for the public to comment on the proposed regulation.

Unfunded Mandates Reform Act of 1995

Title II of the Unfunded Mandates Reform Act of 1995 (UMRA), Public Law 104-4, establishes requirements for Federal agencies to assess the effects of their regulatory actions on state, local, and tribal governments and the private sector. This rule contains no Federal mandates (under the regulatory provisions of title II of the UMRA) for State, local, and tribal governments or the private sector. Thus, this rule is not subject to the requirements of sections 202 and 205 of the UMRA.

Executive Order No. 12612

It has been determined under section 6(a) of Executive Order No. 12612, Federalism, that this rule does not have sufficient federalism implications to warrant the preparation of a Federalism Assessment. The provisions contained in this rule will not have a substantial direct effect on states or their political subdivisions, or on the distribution of

power and responsibilities among the various levels of government.

Regulatory Flexibility Act

This regulation will not have a significant impact on a substantial number of small entities. The effect of this regulation on small entities will be no greater than on larger entities. Under the current regulations, a producer is required to complete an application and acreage report. If the crop is damaged or destroyed, the insured is required to give notice of loss and provide the necessary information to complete a claim for indemnity. This regulation does not alter those requirements. The amount of work required of the insurance companies delivering and servicing these policies will not increase significantly from the amount of work currently required. This rule does not have any greater or lesser impact on the producer. Therefore, this action is determined to be exempt from the provisions of the Regulatory Flexibility Act (5 U.S.C. 605), and no Regulatory Flexibility Analysis was prepared.

Federal Assistance Program

This program is listed in the Catalog of Federal Domestic Assistance under No. 10.450.

Executive Order No. 12372

This program is not subject to the provisions of Executive Order No. 12372, which require intergovernmental consultation with state and local officials. See the Notice related to 7 CFR part 3015, subpart V, published at 48 FR 29115, June 24, 1983.

Executive Order No. 12778

The Office of the General Counsel has determined that these regulations meet the applicable standards provided in sections 2(a) and 2(b)(2) of Executive Order No. 12778. The provisions of this rule will not have a retroactive effect prior to the effective date. The provisions of this rule will preempt state and local laws to the extent such state and local laws are inconsistent herewith. The administrative appeal provisions published at 7 CFR parts 11 and 780 must be exhausted before any action for judicial review may be brought.

Environmental Evaluation

This action is not expected to have a significant impact on the quality of the human environment, health, and safety. Therefore, neither an Environmental Assessment nor an Environmental Impact Statement is needed.

National Performance Review

This regulatory action is being taken as part of the National Performance Review Initiative to eliminate unnecessary or duplicative regulations and improve those that remain in force.

Background

FCIC proposes to add to the Common Crop Insurance Regulations (7 CFR part 457), a new section, 7 CFR 457.151, Forage Seeding Crop Insurance Provisions. The new provisions will be effective for the 1998 and succeeding crop years. These provisions will replace and supersede the current provisions for insuring forage seeding found at 7 CFR part 414 (Forage Seeding Crop Insurance Regulations), for the 1998 and succeeding crop years. FCIC also proposes to amend 7 CFR part 414 to limit its effect to the 1997 and prior crop years. FCIC will later publish a regulation to remove and reserve part 414.

This rule makes minor editorial and format changes to improve the Forage Seeding Crop Insurance Regulations compatibility with the Common Crop Insurance Policy. In addition, FCIC is proposing substantive changes in the provisions for insuring forage seeding as follows:

1. The current premium adjustment table contained in the Forage Seeding Crop Insurance Policy has been omitted from the proposed Forage Seeding Crop Provisions. Information regarding good experience discounts is now contained in the Special Provisions. The adverse experience premium adjustment has been removed. These changes provide consistency with all other crops containing premium experience discounts.

2. Section 1—Add definitions for the terms "days," "FSA," "fall planted," "final planting date," "forage," "good farming practices," "interplanted," "irrigated practice," "late harvest," "normal stand," "nurse crop," "planted acreage," "practical to replant," "spring planted," and "written agreement" for clarification purposes. Revise the definition for the term "harvest" to specify that acreage that is grazed will not be considered harvested because it is impossible to determine the production for grazed acreage so insurance coverage is not provided for acreage that is grown for the purpose of grazing. The term "reseed" has been changed to "replant" and made consistent with other annual crop provisions. Current regulations allow an insured to reseed at not less than 50 percent (50%) of the original seeding rate. The revised definition specifies

that replacing new seed into an existing damaged stand, which results in a reduced seeding rate from the original seeding rate, will not be considered replanting. This change provides consistency with the replanting provisions of other annual crop provisions.

3. Section 2—Provides guidelines for optional unit division of forage seeding basic units that are consistent with other annual crop provisions.

4. Section 3(a)—Clarify that an insured may select only one coverage level and the corresponding amount of insurance designated in the actuarial table for the applicable type and practice for all the forage seeding planted in the county that is insured under the policy. The amounts of insurance the insured chooses for each type and practice must have the same percentage relationship to the maximum amount of insurance offered by FCIC for each type and practice.

5. Section 4—The contract change date has been changed to November 30 for all counties that currently have April 15 cancellation and termination dates. This change is made to maintain an adequate time period between this date and the revised cancellation dates to permit the insured to make informed insurance decisions.

6. Section 5—The cancellation and termination dates have been changed to March 15 in states and counties that currently have April 15 dates. These changes are made to standardize the cancellation and termination dates with the sales closing dates. The sales closing dates were amended to comply with the requirement of the Federal Crop Insurance Reform Act of 1994 that spring seeded crop sales closing dates be 30 days earlier than previously. Also added Nevada to the forage seeding crop provisions for both spring and fall planted forage.

7. Section 6(c)—Clarify that any forage seeding crop that is grown with the intent to be grazed, or grazed at any time during the insurance period, will not be insured.

8. Section 6(d)—Add provisions to allow coverage for forage seeding that is interplanted with another crop if allowed by the Special Provisions or by written agreement. The provisions provide coverage for more acreage and may reduce the need for protection under the non-insured disaster assistance program.

9. Section 7—Clarify that any acreage damaged prior to the final planting date, to the extent that such acreage has less than a normal stand, must be replanted unless the insurer agrees that it is not practical to replant.

10. Section 8—State that harvest is one event that ends the insurance period, unless the Special Provisions contain a late harvest date, or if harvest occurs after the late harvest date, shown in the Special Provisions. Also the date grazing commences and abandonment of the insured crop were added as events that end the insurance period.

11. Section 9(h)—Add failure of the irrigation water supply as an insurable cause of loss, if such failure was caused by an insured peril that occurs during the insurance period. This change standardizes these crop provisions with other crop provisions.

12. Section 12—Modify claim for indemnity calculations to recognize separate amounts of insurance for each type and practice within the same unit.

13. Section 13—Add provisions for providing insurance coverage by written agreement. FCIC has a long standing policy of permitting certain modifications of the insurance contract by written agreement for some policies. This amendment allows FCIC to tailor the policy to a specific insured in certain instances. The new section will cover application for and duration of written agreements.

List of Subjects in 7 CFR Parts 414 and 457

Crop insurance, Forage seeding regulations, Forage seeding.

Accordingly, for the reasons set forth in the preamble, the Federal Crop Insurance Corporation hereby proposes to amend 7 CFR parts 414 and 457, effective for the 1998 and succeeding crop years, as follows:

PART 414—FORAGE SEEDING CROP INSURANCE REGULATIONS—REGULATIONS FOR THE 1981 AND SUBSEQUENT CONTRACT YEARS

1. The authority citation for 7 CFR part 414 is revised to read as follows:

Authority: 7 U.S.C. 1506(l) and 1506(p).

2. The subpart heading preceding § 414.1 is revised to read as follows:

Subpart—Regulations for the 1981 through 1997 Crop Year

3. Section 414.7 is amended by revising the introductory text of paragraph (d) to read as follows:

§ 414.7 The application and policy.

* * * * *

(d) The application for the 1984 and succeeding crop years is found at subpart D of part 400, General Administrative Regulations (7 CFR 400.37, 400.38). The provisions of the Forage Seeding Insurance Policy for the

1984 through 1997 crop years are as follows:

* * * * *

PART 457—COMMON CROP INSURANCE REGULATIONS; REGULATIONS FOR THE 1994 AND SUBSEQUENT CONTRACT YEARS

4. The authority citation for 7 CFR part 457 continues to read as follows:

Authority: 7 U.S.C. 1501(l) and 1506(p).

5. 7 CFR part 457 is amended by adding a new § 457.151 to read as follows:

§ 457.151 Forage seeding crop insurance provisions.

The Forage Seeding Crop Insurance Provisions for the 1998 and succeeding crop years are as follows:

FCIC policies:

DEPARTMENT OF AGRICULTURE
FEDERAL CROP INSURANCE
CORPORATION

Reinsured policies:

(Appropriate title for insurance provider)

Both FCIC and reinsured policies:

Forage Seeding Crop Provisions

If a conflict exists among the Basic Provisions (§ 457.8), these crop provisions, and the Special Provisions; the Special Provisions will control these crop provisions and the Basic Provisions; and these crop provisions will control the Basic Provisions.

1. Definitions

Crop year—The period within which the planting is or normally would become established and shall be designated by the calendar year in which the planting is made for spring planted acreage and the next succeeding calendar year for fall planted acreage.

Days—Calendar days.

FSA—The Farm Service Agency, an agency of the United States Department of Agriculture, or any successor agency.

Fall planted—A forage crop seeded after June 30.

Final planting date—The date contained in the Special Provisions for the insured crop by which the crop must initially be planted in order to be insured for the full amount of insurance.

Forage—Seeded perennial alfalfa, perennial red clover, perennial grasses, or a mixture thereof, as shown in the actuarial table.

Good farming practices—The cultural practices generally in use in the county for the crop to make normal progress toward maturity and produce a normal stand, and recognized by the Cooperative State Research, Education, and Extension Service as compatible with agronomic and weather conditions in the county.

Harvest—Severance of the forage plant from the land with the intention of using it as livestock feed. Grazing will not be considered harvested.

Interplanted—Acreage on which two or more crops are planted in a manner that does

not permit separate agronomic maintenance or harvest of the insured crop.

Irrigated practice—A method of producing a crop by which water is artificially applied during the growing season by appropriate systems and at the proper times, with the intention of providing the quantity of water needed to produce at least the yield used to establish the irrigated amount of insurance on the irrigated acreage planted to the insured crop.

Late harvest—Harvest that occurs after the date listed in the Special Provisions.

Normal stand—A population of live plants per square foot that meets the minimum required number of plants as shown in the Special Provisions.

Nurse crop (companion crop)—A crop seeded into the same acreage as another crop, that is intended to be harvested separately, and that is planted to improve growing conditions for the crop with which it is grown.

Planted acreage—Land in which seed has been placed by a machine appropriate for the insured crop and planting method, at the correct depth, into a seedbed that has been properly prepared for the planting method and production practice. Land on which seed is initially spread onto the soil surface by any method and subsequently is mechanically incorporated into the soil in a timely manner and at the proper depth. Acreage seeded in any other manner will not be insurable unless otherwise provided by the Special Provisions or by written agreement.

Practical to replant—In lieu of the definition of "Practical to replant" contained in section 1 of the Basic Provisions (§ 457.8), practical to replant is defined as our determination, after loss or damage to the insured crop, based on factors, including but not limited to moisture availability, marketing window, condition of the field, and time to crop maturity, that replanting the insured crop will allow the crop to attain maturity prior to the calendar date for the end of the insurance period. It will not be considered practical to replant after the final planting date, unless replanting is generally occurring in the area.

Replanting—Performing the cultural practices necessary to replace the forage seed and then replacing the forage seed in the insured acreage with the expectation of producing a normal stand. Replacing new seed into an existing damaged stand, which results in a reduced seeding rate from the original seeding rate, will not be considered replanting.

Spring planted—A forage crop seeded before July 1.

Written agreement—A written document that alters designated terms of this policy in accordance with section 13.

2. Unit Division

(a) A unit as defined in section 1 (Definitions) of the Basic Provisions (§ 457.8), a (basic unit), will be divided for spring and fall planted acreage.

(b) Unless limited by the Special Provisions, these basic units may be further divided into optional units if, for each optional unit you meet all the conditions of this section or a written agreement to such division exists.

(c) Basic units may not be divided into optional units on any basis including, but not limited to, production practice, type, variety, and planting period, other than as described in this section.

(d) If you do not comply fully with these provisions, we will combine all optional units that are not in compliance with these provisions into the basic unit from which they were formed. We will combine the optional units at any time we discover that you have failed to comply with these provisions. If failure to comply with these provisions is determined to be inadvertent, and the optional units are combined into a basic unit, that portion of the premium paid for the purpose of electing optional units will be refunded to you for the units combined.

(e) All optional units established for a crop year must be identified on the acreage report for that crop year.

(f) The following requirements must be met for each optional unit:

(1) You must plant the crop in a manner that results in a clear and discernable break in the planting pattern at the boundaries of each optional unit; and

(2) Each optional unit must meet one or more of the following criteria as applicable:

(i) **Optional Units by Section, Section Equivalent, or FSA Farm Serial Number:** Optional units may be established if each optional unit is located in a separate legally identified section. In the absence of sections, we may consider parcels of land legally identified by other methods of measure including, but not limited to Spanish grants, railroad surveys, leagues, labors, or Virginia Military Lands, as the equivalent of sections for unit purposes. In areas that have not been surveyed using the systems identified above, or another system approved by us, or in areas where such systems exist but boundaries are not readily discernable, each optional unit must be located in a separate farm identified by a single FSA Farm Serial Number.

(ii) **Optional Units on Acreage Including Both Irrigated and Non-irrigated Practices:** In addition to, or instead of, establishing optional units by section, section equivalent, or FSA Farm Serial Number, optional units may be based on irrigated acreage or non-irrigated acreage if both are located in the same section, section equivalent, or FSA Farm Serial Number. To qualify as separate irrigated and non-irrigated optional units, the non-irrigated acreage may not continue into the irrigated acreage in the same rows or planting pattern. The irrigated acreage may not extend beyond the point at which the irrigated system can deliver the quantity of water needed to produce a normal stand.

3. Amounts of Insurance

(a) In addition to the requirements of section 3 (Insurance Guarantees, Coverage Levels, and Prices for Determining Indemnities) of the Basic Provisions (§ 457.8), you may only select one coverage level and the corresponding amount of insurance designated in the actuarial table for the applicable type and practice for all the forage seeding in the county that is insured under this policy. The amount of insurance you choose for each type and practice must have the same percentage relationship to the

maximum amount of insurance offered by us for each type and practice. For example, if you choose 100 percent (100%) of the maximum amount of insurance for a specific type and practice, you must also choose 100 percent (100%) of the maximum amount of insurance for all other types and practices.

(b) The production reporting requirements contained in section 3 (Insurance Guarantees, Coverage Levels, and Prices for Determining Indemnities) of the Basic Provisions (§ 457.8), do not apply to forage seeding.

4. Contract Changes

In accordance with section 4 (Contract Changes) of the Basic Provisions (§ 457.8), the contract change date is November 30 preceding the cancellation date for counties with a March 15 cancellation date and April 30 preceding the cancellation date for all other counties.

5. Cancellation and Termination Dates

In accordance with section 2 (Life of Policy, Cancellation, and Termination) of the Basic Provisions (§ 457.8), the cancellation and termination dates are:

State and county	Cancellation and termination dates
New Hampshire, New York, Pennsylvania, Vermont, Nevada.	July 31
All other states	March 15.

6. Insured Crop

In accordance with section 8 (Insured Crop) of the Basic Provisions (§ 457.8), the crop insured will be all the forage seeding in the county for which a premium rate is provided by the actuarial table:

- (a) In which you have a share;
- (b) That is planted, or replanted the calendar year following planting to establish a stand of forage intended for harvest as livestock feed;
- (c) That is not grown with the intent to be grazed, or not grazed at any time during the insurance period; and
- (d) That is not interplanted with another crop, except nurse crops, unless allowed by the Special Provisions or by written agreement.

7. Insurable Acreage

In addition to the provisions of section 9 (Insurable Acreage) of the Basic Provisions (§ 457.8), any acreage of the insured crop damaged before the final planting date, to the extent that such acreage has less than a normal stand, must be replanted unless we agree that it is not practical to replant.

8. Insurance Period

In lieu of the provisions of section 11 (Insurance Period) of the Basic Provisions (§ 457.8) regarding when insurance ends, forage seeding insurance will end at the earliest of:

- (a) Total destruction of the insured crop on the unit;
- (b) Harvest of the unit, unless a late harvest date is listed in the Special Provisions, or late harvest on the unit if a late harvest date is listed in the Special Provisions;

- (c) Final adjustment of a loss on a unit;
- (d) Abandonment of the insured crop;
- (e) The date grazing commences on the insured crop; or
- (f) May 21 of the calendar year following seeding for spring-planted forage; or October 15 of the calendar year following seeding for fall-planted forage.

9. Causes of Loss

In accordance with the provisions of section 12 (Causes of Loss) of the Basic Provisions (§ 457.8), insurance is provided only against the following causes that result in loss of, or failure to establish, a stand of forage that occur during the insurance period:

- (a) Adverse weather conditions;
- (b) Fire;
- (c) Insects, but not damage due to insufficient or improper application of pest control measures;
- (d) Plant disease, but not damage due to insufficient or improper application of disease control measures;
- (e) Wildlife;
- (f) Earthquake;
- (g) Volcanic eruption; or
- (h) Failure of the irrigation water supply, if caused by an insured peril that occurs during the insurance period.

10. Replanting Payment

In lieu of the provisions contained in section 13 (Replanting Payment) of the Basic Provisions (§ 457.8):

- (a) A replanting payment is allowed only in counties for which the Special Provisions designate both fall and spring final planting dates if:
 - (1) The insured fall-planted acreage is damaged by an insurable cause of loss to the extent that less than 75 percent (75%) of a normal stand remains;
 - (2) It is practical to replant;
 - (3) We give written consent to replant; and
 - (4) Such acreage is replanted the following spring by the spring final planting date.
- (b) The amount of the replanting payment will be equal to 50 percent (50%) of the amount of indemnity determined in accordance with section 12(a).
- (c) No replanting payment will be made on acreage for which one replanting payment has already been allowed for the crop year.
- (d) If the information reported by you on the acreage report results in a lower premium than the actual premium determined to be due based on the acreage, share, practice, or type determined actually to have existed, the replanting payment will be reduced proportionately.

11. Duties In The Event of Damage or Loss

- (a) In accordance with the requirements of section 14 (Duties in the Event of Damage or Loss) of the Basic Provisions (§ 457.8), the representative samples of the crop must be at least 10 feet wide and extend the entire length of each field in the unit. The samples must not be harvested or destroyed until the earlier of our inspection or 15 days after tilling of the balance of the unit is completed.
- (b) In addition to the requirements of section 14 (Duties in the Event of Damage or Loss) of the Basic Provisions (§ 457.8), you must give us written notice if, during the

period before destroying the crop on any fall planted acreage that is damaged, you decide to replant the acreage by the spring final planting date.

12. Settlement of Claim

- (a) In the event of loss or damage covered by this policy, we will settle your claim on any unit by:
 - (1) Multiplying the insured acreage of each type and practice by the amount of insurance for the applicable type and practice;
 - (2) Totaling the results of section 12(a)(1);
 - (3) Multiplying the total of the acres with an established stand plus 10 percent (10%) of the planted acres for the insured acreage of each type and practice in the unit by the amount of insurance for the applicable type and practice;
 - (4) Totaling the results of section 12(a)(3);
 - (5) Subtracting the result of section 12(a)(4) from the result of section 12(a)(2); and
 - (6) Multiplying the result of section 12(a)(5) by your share.
- (b) The acres with an established stand will include:
 - (1) Acreage that has at least 75 percent (75%) of a normal stand;
 - (2) Acreage abandoned or put to another use without our prior written consent;
 - (3) Acreage damaged solely by an uninsured cause; or
 - (4) Acreage that is harvested and not reseeded.
- (c) The amount of indemnity on any spring-planted acreage determined in accordance with section 12(a) will be reduced 50 percent (50%) if the stand is less than 75 percent (75%) but more than 55 percent (55%) of a normal stand.

13. Written Agreements

- Designated terms of this policy may be altered by written agreement in accordance with the following:
- (a) You must apply in writing for each written agreement no later than the sales closing date, except as provided in section 13(e);
 - (b) The application for a written agreement must contain all variable terms of the contract between you and us that will be in effect if the written agreement is not approved;
 - (c) If approved, the written agreement will include all variable terms of the contract, including, but not limited to, crop type or variety, practice, premium rate, and amount of insurance;
 - (d) Each written agreement will only be valid for one year (If the written agreement is not specifically renewed the following year, insurance coverage for subsequent crop years will be in accordance with the printed policy); and
 - (e) An application for a written agreement submitted after the sales closing date may be approved if, after a physical inspection of the acreage, it is determined that no loss has occurred and the crop is insurable in accordance with the policy and written agreement provisions.

Signed in Washington, D.C., on January 10, 1997.

Kenneth D. Ackerman,
 Manager, Federal Crop Insurance
 Corporation.

[FR Doc. 97-1014 Filed 1-14-97; 8:45 am]

BILLING CODE 3410-FA-P

7 CFR Parts 441 and 457

Common Crop Insurance Regulations; Table Grape Crop Insurance Provisions, and Table Grape Crop Insurance Regulations

AGENCY: Federal Crop Insurance Corporation, USDA.

ACTION: Proposed rule.

SUMMARY: The Federal Crop Insurance Corporation (FCIC) proposes specific crop provisions for the insurance of table grapes. The provisions will be used in conjunction with the Common Crop Insurance Policy Basic Provisions, which contain standard terms and conditions common to most crops. The intended effect of this action is to provide policy changes to better meet the needs of the insured, include the current Table Grape crop insurance regulations under the Common Crop Insurance Policy for ease of use and consistency of terms, and to restrict the effect of the current Table Grape crop insurance regulations to the 1997 and prior crop years.

DATES: Written comments, data, and opinions on this proposed rule will be accepted until close of business March 17, 1997 and will be considered when the rule is to be made final. The comment period for information collections under the Paperwork Reduction Act of 1995 is through March 17, 1997.

ADDRESSES: Interested persons are invited to submit written comments to the Chief, Product Development Branch, Federal Crop Insurance Corporation, United States Department of Agriculture, 9435 Holmes Road, Kansas City, MO 64131. Written comments will be available for public inspection and copying in room 0324, South Building, United States Department of Agriculture, 14th and Independence Avenue, SW., Washington, DC, 8:15 a.m. to 4:45 p.m., est, Monday through Friday, except holidays.

FOR FURTHER INFORMATION CONTACT: John Meyer, Insurance Management Specialist, Research and Development Division, Product Development Branch, Federal Crop Insurance Corporation, at the Kansas City, MO, address listed above, telephone (816) 926-7730.