

AMENDMENT NO. \_\_\_\_\_ Calendar No. \_\_\_\_\_

Purpose: To limit the amount of premium subsidy provided by the Federal Crop Insurance Corporation on behalf of any person or legal entity with an average adjusted gross income in excess of \$750,000, with a delayed application of the limitation until completion of a study on the effects of the limitation.

IN THE SENATE OF THE UNITED STATES—113th Cong., 1st Sess.

**S. 954**

To reauthorize agricultural programs through 2018.

Referred to the Committee on \_\_\_\_\_ and  
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by \_\_\_\_\_

Viz:

1 On page 1101, between lines 5 and 6, insert the fol-  
2 lowing:

3 SEC. 11\_\_\_\_. LIMITATION ON PREMIUM SUBSIDY BASED  
4 ON AVERAGE ADJUSTED GROSS INCOME.

Section 508(e) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)) (as amended by section 11030(b)) is amended by adding at the end the following:

8 “(9) LIMITATION ON PREMIUM SUBSIDY BASED  
9 ON AVERAGE ADJUSTED GROSS INCOME.—

1           “(A) DEFINITION OF AVERAGE ADJUSTED  
2 GROSS INCOME.—In this paragraph, the term  
3 ‘average adjusted gross income’ has the mean-  
4 ing given the term in section 1001D(a) of the  
5 Food Security Act of 1985 (7 U.S.C. 1308–  
6 3a(a)).

7           “(B) LIMITATION.—Notwithstanding any  
8 other provision of this subtitle and beginning  
9 with the 2014 reinsurance year, in the case of  
10 any producer that is a person or legal entity  
11 that has an average adjusted gross income in  
12 excess of \$750,000 based on the most recent  
13 data available from the Farm Service Agency as  
14 of the beginning of the reinsurance year, the  
15 total amount of premium subsidy provided with  
16 respect to additional coverage under subsection  
17 (c), section 508B, or section 508C issued on be-  
18 half of the producer for a reinsurance year shall  
19 be 15 percentage points less than the premium  
20 subsidy provided in accordance with this sub-  
21 section that would otherwise be available for the  
22 applicable policy, plan of insurance, and cov-  
23 erage level selected by the producer.

24           “(C) APPLICATION.—

1 “(i) STUDY.—Not later than 1 year  
2 after the date of enactment of this Act, the  
3 Secretary, in consultation with the Govern-  
4 ment Accountability Office, shall carry out  
5 a study to determine the effects of the lim-  
6 itation described in subparagraph (B) on—

7 “(I) the overall operations of the  
8 Federal crop insurance program;

9 “(II) the number of producers  
10 participating in the Federal crop in-  
11 surance program;

12 “(III) the level of coverage pur-  
13 chased by participating producers;

14 “(IV) the amount of premiums  
15 paid by participating producers and  
16 the Federal Government;

17 “(V) any potential liability for  
18 participating producers, approved in-  
19 surance providers, and the Federal  
20 Government;

21 “(VI) different crops or growing  
22 regions;

23 “(VII) program rating struc-  
24 tures;

1 “(VIII) creation of schemes or  
2 devices to evade the impact of the lim-  
3 itation; and

4 “(IX) administrative and oper-  
5 ating expenses paid to approved insur-  
6 ance providers and underwriting gains  
7 and loss for the Federal government  
8 and approved insurance providers.

9 “(ii) EFFECTIVENESS.—The limita-  
10 tion described in subparagraph (B) shall  
11 not take effect unless the Secretary deter-  
12 mines, through the study described in  
13 clause (i), that the limitation would not—

14 “(I) significantly increase the  
15 premium amount paid by producers  
16 with an average adjusted gross income  
17 of less than \$750,000;

18 “(II) result in a decline in the  
19 crop insurance coverage available to  
20 producers; and

21 “(III) increase the total cost of  
22 the Federal crop insurance program.”.