



## DEPARTMENT OF AGRICULTURE

### Federal Crop Insurance Corporation

#### 7 CFR Parts 407 and 457

[Docket ID FCIC-23-0006]

RIN 0563-AC83

### Transparency in Policy Cancellations

**AGENCY:** Federal Crop Insurance Corporation, U.S. Department of Agriculture (USDA).

**ACTION:** Final rule; technical amendment; request for comments.

**SUMMARY:** The Federal Crop Insurance Corporation (FCIC) is making a technical amendment to its regulations by clarifying that an Approved Insurance Provider (AIP) may only cancel a crop insurance policy (policy) with express written consent from FCIC. This requirement is already binding in the Standard Reinsurance Agreement (SRA), which establishes the terms under which FCIC provides reinsurance and subsidies on eligible crop insurance policies sold by AIPs. By adding the same conditions to the regulation as are in the policy between the AIP and the producer, it provides greater transparency to producers about the existing rights in their policy. The changes to the crop insurance policies resulting from the amendments in this rule are applicable for the 2024 and succeeding crop years for crops with a contract change date on or after November 30, 2023. For all other crops, the changes to the crop insurance policies made in this rule are applicable for the 2025 and succeeding crop years.

**DATES:** *Effective date:* This final rule is effective November 30, 2023.

*Comment date:* We will consider comments that we receive by the close of business [Insert date 60 days after date of publication in the *FEDERAL REGISTER*]. FCIC will consider the comments received and may conduct additional rulemaking in the

future based on the comments.

**ADDRESSES:** We invite you to submit comments on this rule. You may submit comments by going through the Federal eRulemaking Portal as follows:

- Federal eRulemaking Portal: Go to <http://www.regulations.gov> and search for Docket ID FCIC-23-0006. Follow the instructions for submitting comments.

All comments will be posted without change and will be publicly available on [www.regulations.gov](http://www.regulations.gov).

**FOR FURTHER INFORMATION CONTACT:** Francie Tolle; telephone (816) 926-7829; or email [francie.tolle@usda.gov](mailto:francie.tolle@usda.gov). Persons with disabilities who require alternative means for communication should contact the USDA Target Center at (202) 720-2600 (voice) or (844) 433-2774 (toll-free nationwide).

#### **SUPPLEMENTARY INFORMATION:**

##### **Background**

The Risk Management Agency (RMA) administers the FCIC regulations. FCIC serves America's agricultural producers through effective, market-based risk management tools to strengthen the economic stability of agricultural producers and rural communities. The AIPs sell and service Federal crop insurance policies in every State through a public-private partnership.

SRA is a cooperative financial assistance agreement between FCIC and an AIP. AIPs are bound by the SRA terms in administering Federal crop insurance policies with insured producers. FCIC is making a technical amendment for a conforming change in the regulations for consistency with an SRA requirement.

In this rule, FCIC amends the Area Risk Protection Insurance (ARPI) Basic Provisions (7 CFR part 407) and the Common Crop Insurance Policy (CCIP) Basic Provisions (7 CFR 457.8). The technical amendments made by this rule are applicable for the 2024 and succeeding crop years for crops with a contract change date on or after

November 30, 2023. For all other crops, the changes to the policy made in this rule are applicable for the 2025 and succeeding crop years.

FCIC is clarifying that an AIP may only cancel a policy with express written consent from FCIC in the CCIP and ARPI Basic Provisions. The SRA prohibits any AIP from cancelling an eligible crop insurance policy held by a producer so long as the producer remains eligible and the AIP continues to write eligible crop insurance contracts within the State, except as authorized by FCIC. However, language in the regulations for ARPI and CCIP Basic Provisions requires a conforming change to be clear so that insured producers will be fully aware of their protection from unauthorized AIP cancellations, which already exists in the SRA terms.

The language in the ARPI and CCIP Basic Provisions only specified the deadline for cancellations (that is, by the cancellation date), but did not specify any allowable conditions for cancellation.

FCIC is making conforming changes in the regulations for ARPI and CCIP Basic Provisions to be consistent with existing SRA terms regarding the policy cancellation requirements to be transparent for the producer.

### **Clarity of the Regulation**

Executive Order 12866, as supplemented by Executive Order 13563, requires each agency to write all rules in plain language. In addition to your substantive comments on this rule, we invite your comments on how to make the rule easier to understand. For example:

- Are the requirements in the rule clearly stated? Are the scope and intent of the rule clear?
- Does the rule contain technical language or jargon that is not clear?
- Is the material logically organized?
- Would changing the grouping or order of sections or adding headings

make the rule easier to understand?

- Could we improve clarity by adding tables, lists, or diagrams?
- Would more, but shorter, sections be better? Are there specific sections that are too long or confusing?
- What else could we do to make the rule easier to understand?

### **USDA Non-Discrimination Policy**

In accordance with Federal civil rights law and USDA civil rights regulations and policies, USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family or parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Individuals who require alternative means of communication for program information (for example, braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or the USDA TARGET Center at (202) 720-2600 (voice and text telephone (TTY)) or dial 711 for Telecommunications Relay Service (both voice and text telephone users can initiate this call from any telephone).

Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at <https://www.usda.gov/oascr/how-to-file-a-program-discrimination-complaint> and at any USDA office or write a letter addressed to USDA and provide in the letter all the information requested in the form. To request a copy of the complaint form, call (866)

632-9992. Submit your completed form or letter to USDA by: (1) mail to: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue SW, Washington, DC 20250-9410; (2) fax: (202) 690-7442; or (3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov).

USDA is an equal opportunity provider, employer, and lender.

## **List of Subjects**

### **7 CFR Part 407**

Acreage allotments, Administrative practice and procedure, Barley, Corn, Cotton, Crop insurance, Peanuts, Reporting and recordkeeping requirements, Sorghum, Soybeans, Wheat.

### **7 CFR Part 457**

Acreage allotments, Crop insurance, Reporting and recordkeeping requirements.

For the reasons discussed in the preamble, FCIC amends 7 CFR parts 407 and 457, effective for the 2024 and succeeding crop years for crops with a contract change date on or after November 30, 2023, and for the 2025 and succeeding crop years for all other crops, as follows:

## **PART 407—AREA RISK PROTECTION INSURANCE REGULATIONS**

1. The authority citation for part 407 continues to read as follows:

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

2. In § 407.9, section 2, revise paragraph (i) to read as follows:

### **§ 407.9 Area Risk Protection Insurance Regulations.**

\* \* \* \* \*

#### **2. Life of Policy, Cancellation, and Termination**

\* \* \* \* \*

(i) You may cancel this policy after the initial crop year by providing written notice to us on or before the cancellation date shown in the Crop Provisions. We may

cancel this policy with express written consent from FCIC.

\* \* \* \* \*

## **PART 457–COMMON CROP INSURANCE REGULATIONS**

3. The authority citation for part 457 is revised to read as follows:

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

4. In § 457.8, section 2, revise paragraph (d) to read as follows:

### **§ 457.8 The application and policy.**

\* \* \* \* \*

#### **2. Life of Policy, Cancellation, and Termination**

\* \* \* \* \*

(d) You may cancel this policy after the initial crop year by providing written notice to us on or before the cancellation date shown in the Crop Provisions. We may cancel this policy with express written consent from FCIC.

\* \* \* \* \*

Marcia Bungler,  
Manager,

Federal Crop Insurance Corporation.

[FR Doc. 2023-22964 Filed: 10/17/2023 8:45 am; Publication Date: 10/18/2023]