

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.

### § 1513. Books of account and annual reports of Corporation

The Corporation shall at all times maintain complete and accurate books of accounts and shall file annually with the Secretary a complete report as to the business of the Corporation.

(Feb. 16, 1938, ch. 30, title V, §513, 52 Stat. 76; Pub. L. 93-604, title VI, §603, Jan. 2, 1975, 88 Stat. 1963; Pub. L. 103-354, title I, §102(b)(4)(C), Oct. 13, 1994, 108 Stat. 3181.)

#### AMENDMENTS

1994—Pub. L. 103-354 substituted “Secretary” for “Secretary of Agriculture”.

1975—Pub. L. 93-604 struck out provisions that financial transactions of Corporation shall be audited at least once each year by the General Accounting Office for the sole purpose of making a report to Congress, together with such recommendations as the Comptroller General of the United States may deem advisable and the proviso that such report shall not be made until the Corporation shall have had reasonable opportunity to examine the exceptions and criticisms of the Comptroller General or the General Accounting Office, to point out errors therein, explain or answer the same, and to file a statement which shall be submitted by Comptroller General with his report.

#### 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.

#### 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 Insurance Corporation into Agricultural Conservation and Adjustment Administration, see note set out under section 1503 of this title.

#### AUDIT OF GOVERNMENT CORPORATIONS

Section 9105(f) of Title 31, Money and Finance, provides that an audit under subsection (a) of that section is in place of an audit of the financial transactions of a Government corporation the Comptroller General is required to make in reporting to Congress or the President under another law.

### § 1514. Crimes and offenses

(a) to (e) Repealed. June 25, 1948, ch. 645, §21, 62 Stat. 862, eff. Sept. 1, 1948

(f) Application of laws on interest of Members of Congress in contracts

The provisions of section 6306 of title 41 shall not apply to any crop insurance agreements made under this subchapter.

(Feb. 16, 1938, ch. 30, title V, §514, 52 Stat. 76; June 25, 1948, ch. 645, §§4, 21, 62 Stat. 859, 862;

Pub. L. 110-234, title XII, §12033(c)(2)(B), May 22, 2008, 122 Stat. 1405; Pub. L. 110-246, §4(a), title XII, §12033(c)(2)(B), June 18, 2008, 122 Stat. 1664, 2167.)

#### CODIFICATION

In subsec. (f), “section 6306 of title 41” substituted for “section 3741 of the Revised Statutes (U.S.C., title 41, sec. 22)” on authority of Pub. L. 111-350, §6(c), Jan. 4, 2011, 124 Stat. 3854, which Act enacted Title 41, Public Contracts.

Pub. L. 110-234 and Pub. L. 110-246 made identical amendments to this section. The amendments by Pub. L. 110-234 were repealed by section 4(a) of Pub. L. 110-246.

#### AMENDMENTS

2008—Subsec. (f). Pub. L. 110-246, §12033(c)(2)(B), substituted “this subchapter” for “this chapter”.

1948—Subsecs. (a) to (e). Act June 25, 1948, §21, repealed provisions relating to crimes and offenses. See sections 371, 433, 657, 658, 1006, 1014, and former section 1093 of Title 18, Crimes and Criminal Procedure.

Subsec. (f). Act June 25, 1948, §4, struck out provisions relating to former sections 202 to 207 of Title 18. See sections 202, 216, 431 to 433 of Title 18.

#### EFFECTIVE DATE OF 2008 AMENDMENT

Amendment of this section and repeal of Pub. L. 110-234 by Pub. L. 110-246 effective May 22, 2008, the date of enactment of Pub. L. 110-234, see section 4 of Pub. L. 110-246, set out as an Effective Date note under section 8701 of this title.

#### EFFECTIVE DATE OF 1948 AMENDMENT

Amendment by act June 25, 1948, effective Sept. 1, 1948, see section 20 of that act.

#### 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.

### § 1515. Program compliance and integrity

#### (a) Purpose

##### (1) In general

The purpose of this section is to improve compliance with, and the integrity of, the Federal crop insurance program.

##### (2) Role of insurance providers

The Corporation shall work actively with approved insurance providers to address program compliance and integrity issues as such issues develop.

#### (b) Notification of compliance problems

##### (1) Notification of errors, omissions, and failures

The Corporation shall notify in writing an approved insurance provider of any error, omission, or failure to follow Corporation regulations or procedures for which the approved insurance provider may be responsible and which may result in a debt owed the Corporation.

##### (2) Time for notification

Notice under paragraph (1) shall be given within 3 years after the end of the insurance

period during which the error, omission, or failure is alleged to have occurred, except that this time limitation shall not apply with respect to an error, omission, or procedural violation that is willful or intentional.

**(3) Effect of failure to timely notify**

Except as provided in paragraph (2), the failure to timely provide the notice required under this subsection shall relieve the approved insurance provider from the debt owed the Corporation.

**(c) Reconciling producer information**

**(1) In general**

The Secretary shall develop and implement a coordinated plan for the Corporation and the Farm Service Agency to reconcile all relevant information received by the Corporation or the Farm Service Agency from a producer who obtains crop insurance coverage under this subchapter.

**(2) Frequency**

Beginning with the 2001 crop year, the Secretary shall require that the Corporation and the Farm Service Agency reconcile such producer-derived information on at least an annual basis in order to identify and address any discrepancies.

**(3) Corrections**

**(A) In general**

In addition to the corrections permitted by the Corporation as of the day before February 7, 2014, the Corporation shall establish procedures that allow an agent or an approved insurance provider, subject to subparagraph (B)—

(i) within a reasonable amount of time following the applicable sales closing date, to correct errors in information that is provided by a producer for the purpose of obtaining coverage under any policy or plan of insurance made available under this subchapter to ensure that the eligibility information is correct and consistent with information reported by the producer for other programs administered by the Secretary;

(ii) within a reasonable amount of time following—

(I) the acreage reporting date, to reconcile errors in the information reported by the producer with correct information determined from any other program administered by the Secretary; or

(II) the date of any subsequent correction of data by the Farm Service Agency made as a result of the verification of information, to make conforming corrections; and

(iii) at any time, to correct electronic transmission errors that were made by an agent or approved insurance provider, or such errors made by the Farm Service Agency or any other agency of the Department of Agriculture in transmitting the information provided by the producer for purposes of other programs of the Department to the extent an agent or approved

insurance provider relied upon the erroneous information for crop insurance purposes.

**(B) Limitation**

In accordance with the procedures of the Corporation, correction to the information described in clauses (i) and (ii) of subparagraph (A) may only be made if the corrections do not allow the producer—

(i) to avoid ineligibility requirements for insurance or obtain a disproportionate benefit under the crop insurance program or any related program administered by the Secretary;

(ii) to obtain, enhance, or increase an insurance guarantee or indemnity if a cause of loss exists or has occurred before any correction has been made, or avoid premium owed if no loss is likely to occur; or

(iii) to avoid an obligation or requirement under any Federal or State law.

**(C) Exception to late filing sanctions**

Any corrections made within a reasonable amount of time, in accordance with established procedures, pursuant to this paragraph shall not be subject to any late filing sanctions authorized in the reinsurance agreement with the Corporation.

**(D) Late payment of debt**

In the case of a producer that has inadvertently failed to pay a debt due as specified by regulations of the Corporation and has been determined to be ineligible for crop insurance pursuant to the terms of the policy as a result of that failure, the Corporation may determine to allow the producer to pay the debt and purchase the crop insurance after the sales closing date, in accordance with procedures and limitations established by the Corporation.

**(d) Identification and elimination of fraud, waste, and abuse**

**(1) FSA monitoring program**

The Secretary shall develop and implement a coordinated plan for the Farm Service Agency to assist the Corporation in the ongoing monitoring of programs carried out under this subchapter, including—

(A) at the request of the Corporation or, subject to paragraph (2), on its own initiative if the Farm Service Agency has reason to suspect the existence of program fraud, waste, or abuse, conducting fact finding relative to allegations of program fraud, waste, or abuse;

(B) reporting to the Corporation, in writing in a timely manner, the results of any fact finding conducted pursuant to subparagraph (A), any allegation of fraud, waste, or abuse, and any identified program vulnerabilities; and

(C) assisting the Corporation and approved insurance providers in auditing a statistically appropriate number of claims made under any policy or plan of insurance under this subchapter.

**(2) FSA inquiry**

If, within five calendar days after receiving a report submitted under paragraph (1)(B), the

Corporation does not provide a written response that describes the intended actions of the Corporation, the Farm Service Agency may conduct its own inquiry into the alleged program fraud, waste, or abuse on approval from the State director of the Farm Service Agency of the State in which the alleged fraud, waste, or abuse occurred. If as a result of the inquiry, the Farm Service Agency concludes further investigation is warranted, but the Corporation declines to proceed with the investigation, the Farm Service Agency may refer the matter to the Inspector General of the Department of Agriculture.

**(3) Use of field infrastructure**

The plan required by paragraph (1) shall provide for the use of the field infrastructure of the Farm Service Agency. The Secretary shall ensure that relevant Farm Service Agency personnel are appropriately trained for any responsibilities assigned to the personnel under the plan. At a minimum, the personnel shall receive the same level of training and pass the same basic competency tests as required of loss adjusters of approved insurance providers.

**(4) Maintenance of provider effort**

**(A) In general**

The activities of the Farm Service Agency under this subsection do not affect the responsibility of approved insurance providers to conduct any audits of claims or other program reviews required by the Corporation.

**(B) Notification of providers**

The Corporation shall notify the appropriate approved insurance provider of a report from the Farm Service Agency regarding alleged program fraud, waste, or abuse, unless the provider is suspected to be included in, or a party to, the alleged fraud, waste, or abuse.

**(C) Response**

An approved insurance provider that receives a notice under subparagraph (B) shall submit a report to the Corporation, within an appropriate time period determined by the Secretary, describing the actions taken by the provider to investigate the allegations of program fraud, waste, or abuse contained in the notice.

**(5) Corporation response to provider reports**

**(A) Prompt response**

If an approved insurance provider reports to the Corporation that the approved insurance provider suspects intentional misrepresentation, fraud, waste, or abuse, the Corporation shall make a determination and provide, within 90 calendar days after receiving the report, a written response that describes the intended actions of the Corporation.

**(B) Cooperative effort**

The approved insurance provider and the Corporation shall take coordinated action in any case where misrepresentation, fraud, waste, or abuse is alleged.

**(C) Failure to timely respond**

If the Corporation fails to respond as required by subparagraph (A), an approved in-

surance provider may request the Farm Service Agency to assist the provider in an inquiry into the alleged program fraud, waste, or abuse.

**(e) Consultation with State FSA committees**

The Secretary shall establish procedures under which the Corporation shall consult with the State committee of the Farm Service Agency for a State with respect to policies, plans of insurance, and material related to such policies or plans of insurance (including applicable sales closing dates, assigned yields, and transitional yields) offered in that State under this subchapter.

**(f) Detection of disparate performance**

**(1) Covered activities**

The Secretary shall establish procedures under which the Corporation will be able to identify the following:

(A) Any agent engaged in the sale of coverage offered under this subchapter where the loss claims associated with such sales by the agent are equal to or greater than 150 percent (or an appropriate percentage specified by the Corporation) of the mean for all loss claims associated with such sales by all other agents operating in the same area, as determined by the Corporation.

(B) Any person performing loss adjustment services relative to coverage offered under this subchapter where such loss adjustments performed by the person result in accepted or denied claims equal to or greater than 150 percent (or an appropriate percentage specified by the Corporation) of the mean for accepted or denied claims (as applicable) for all other persons performing loss adjustment services in the same area, as determined by the Corporation.

**(2) Review**

**(A) Review required**

The Corporation shall conduct a review of any agent identified pursuant to paragraph (1)(A), and any person identified pursuant to paragraph (1)(B), to determine whether the higher loss claims associated with the agent or the higher number of accepted or denied claims (as applicable) associated with the person are the result of fraud, waste, or abuse.

**(B) Remedial action**

The Corporation shall take appropriate remedial action with respect to any occurrence of fraud, waste, or abuse identified in a review conducted under this paragraph.

**(3) Oversight of agents and loss adjusters**

The Corporation shall develop procedures to require an annual review by an approved insurance provider of the performance of each agent and loss adjuster used by the approved insurance provider. The Corporation shall oversee the conduct of annual reviews and may consult with an approved insurance provider regarding any remedial action that is determined to be necessary as a result of the annual review of an agent or loss adjuster.

**(g) Submission of information to Corporation to support compliance efforts****(1) Types of information required**

The Secretary shall establish procedures under which approved insurance providers shall submit to the Corporation the following information with respect to each policy or plan of insurance offered under this subchapter:

(A) The name and identification number of the insured.

(B) The agricultural commodity to be insured.

(C) The elected coverage level, including the price election, of the insured.

**(2) Time for submission**

The information required by paragraph (1) with respect to a policy or plan of insurance shall be submitted so as to ensure receipt by the Corporation not later than the Saturday of the week containing the calendar day that is 30 days after the applicable sales closing date for the crop to be insured.

**(h) Sanctions for program noncompliance and fraud****(1) False information**

A producer, agent, loss adjuster, approved insurance provider, or other person that willfully and intentionally provides any false or inaccurate information to the Corporation or to an approved insurance provider with respect to a policy or plan of insurance under this subchapter may, after notice and an opportunity for a hearing on the record, be subject to one or more of the sanctions described in paragraph (3).

**(2) Compliance**

A person may, after notice and an opportunity for a hearing on the record, be subject to one or more of the sanctions described in paragraph (3) if the person is a producer, agent, loss adjuster, approved insurance provider, or other person that willfully and intentionally fails to comply with a requirement of the Corporation.

**(3) Authorized sanctions**

If the Secretary determines that a person covered by this subsection has committed a material violation under paragraph (1) or (2), the following sanctions may be imposed:

**(A) Civil fines**

A civil fine may be imposed for each violation in an amount not to exceed the greater of—

- (i) the amount of the pecuniary gain obtained as a result of the false or inaccurate information provided or the noncompliance with a requirement of this subchapter; or
- (ii) \$10,000.

**(B) Producer disqualification**

In the case of a violation committed by a producer, the producer may be disqualified for a period of up to 5 years from receiving any monetary or nonmonetary benefit provided under each of the following:

(i) This subchapter.

(ii) The Agricultural Market Transition Act (7 U.S.C. 7201 et seq.), including the noninsured crop disaster assistance program under section 196 of that Act (7 U.S.C. 7333).

(iii) The Agricultural Act of 1949 (7 U.S.C. 1421 et seq.).

(iv) The Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.).

(v) The Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.).

(vi) Title XII of the Food Security Act of 1985 (16 U.S.C. 3801 et seq.).

(vii) The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.).

(viii) Any law that provides assistance to a producer of an agricultural commodity affected by a crop loss or a decline in the prices of agricultural commodities.

**(C) Disqualification of other persons**

In the case of a violation committed by an agent, loss adjuster, approved insurance provider, or other person (other than a producer), the violator may be disqualified for a period of up to 5 years from participating in any program, or receiving any benefit, under this subchapter.

**(4) Assessment of sanction**

The Secretary shall consider the gravity of the violation of the person covered by this subsection in determining—

- (A) whether to impose a sanction under this subsection; and
- (B) the type and amount of the sanction to be imposed.

**(5) Disclosure of sanctions**

Each policy or plan of insurance under this subchapter shall provide notice describing the sanctions prescribed under paragraph (3) for willfully and intentionally—

- (A) providing false or inaccurate information to the Corporation or to an approved insurance provider; or
- (B) failing to comply with a requirement of the Corporation.

**(6) Insurance fund**

Any funds collected under this subsection shall be deposited into the insurance fund established under section 1516(c) of this title.

**(i) Annual report on program compliance and integrity efforts****(1) Report required**

The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate an annual report describing the operation of this section during the preceding year and efforts undertaken by the Secretary and the Corporation to carry out this section.

**(2) Information regarding fraud, waste, and abuse**

The report shall identify specific occurrences of waste, fraud, or abuse and contain an outline of actions that have been or are being taken to eliminate the identified waste, fraud, or abuse.

**(j) Information management****(1) Systems maintenance and upgrades****(A) In general**

The Secretary shall maintain and upgrade the information management systems of the Corporation used in the administration and enforcement of this subchapter.

**(B) Requirement****(i) In general**

In maintaining and upgrading the systems, the Secretary shall ensure that new hardware and software are compatible with the hardware and software used by other agencies of the Department to maximize data sharing and promote the purposes of this section.

**(ii) Acreage report streamlining initiative project**

As soon as practicable, the Secretary shall develop and implement an acreage report streamlining initiative project to allow producers to report acreage and other information directly to the Department.

**(2) Use of available information technologies**

The Secretary shall use the information technologies known as data mining and data warehousing and other available information technologies to administer and enforce this subchapter.

**(3) Use of private sector**

The Secretary may enter into contracts to use private sector expertise and technological resources in implementing this subsection, which shall be subject to competition on a periodic basis, as determined by the Secretary.

**(k) Funding****(1) Information technology****(A) In general**

For purposes of subsection (j)(1), the Corporation may use, from amounts made available from the insurance fund established under section 1516(c) of this title, not more than—

- (i) (I) for fiscal year 2014, \$14,000,000; and
- (II) for each of fiscal years 2015 through 2018, \$9,000,000; or
- (ii) if the Acreage Crop Reporting Streamlining Initiative (ACRSI) project is substantially completed by September 30, 2015, not more than \$14,000,000 for each of the fiscal years 2015 through 2018.

**(B) Notification**

The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the substantial completion of the Acreage Crop Reporting Streamlining Initiative (ACRSI) project not later than July 1, 2015.

**(2) Data mining**

To carry out subsection (j)(2), the Corporation may use, from amounts made available from the insurance fund established under sec-

tion 1516(c) of this title, not more than \$4,000,000 for fiscal year 2009 and each subsequent fiscal year.

(Feb. 16, 1938, ch. 30, title V, § 515, as added Pub. L. 103-354, title I, § 109, Oct. 13, 1994, 108 Stat. 3197; amended Pub. L. 106-224, title I, § 121(a), June 20, 2000, 114 Stat. 372; Pub. L. 110-234, title XII, §§ 12021, 12033(c)(2), May 22, 2008, 122 Stat. 1382, 1405; Pub. L. 110-246, § 4(a), title XII, §§ 12021, 12033(c)(2), June 18, 2008, 122 Stat. 1664, 2144, 2167; Pub. L. 110-398, § 1(c), Oct. 13, 2008, 122 Stat. 4214; Pub. L. 113-79, title XI, §§ 11019, 11020, Feb. 7, 2014, 128 Stat. 966, 968.)

## REFERENCES IN TEXT

The Agricultural Market Transition Act, referred to in subsec. (h)(3)(B)(ii), is title I of Pub. L. 104-127, Apr. 4, 1996, 110 Stat. 896, as amended, which is classified principally to chapter 100 (§ 7201 et seq.) of this title. For complete classification of this Act to the Code, see References in Text note set out under section 7201 of this title and Tables.

The Agricultural Act of 1949, referred to in subsec. (h)(3)(B)(iii), is act Oct. 31, 1949, ch. 792, 63 Stat. 1051, as amended, which is classified principally to chapter 35A (§ 1421 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 1421 of this title and Tables.

The Commodity Credit Corporation Charter Act, referred to in subsec. (h)(3)(B)(iv), is act June 29, 1948, ch. 704, 62 Stat. 1070, as amended, which is classified generally to subchapter II (§ 714 et seq.) of chapter 15 of Title 15, Commerce and Trade. For complete classification of this Act to the Code, see Short Title note set out under section 714 of Title 15 and Tables.

The Agricultural Adjustment Act of 1938, referred to in subsec. (h)(3)(B)(v), is act Feb. 16, 1938, ch. 30, 52 Stat. 31, as amended, which is classified principally to chapter 35 (§ 1281 et seq.) of this title. For complete classification of this Act to the Code, see section 1281 of this title and Tables.

The Food Security Act of 1985, referred to in subsec. (h)(3)(B)(vi), is Pub. L. 99-198, Dec. 23, 1985, 99 Stat. 1354, as amended. Title XII of the Act, popularly known as the “Sodbuster Law”, is classified principally to chapter 58 (§ 3801 et seq.) of Title 16, Conservation. For complete classification of this Act to the Code, see Short Title of 1985 Amendment note set out under section 1281 of this title and Tables.

The Consolidated Farm and Rural Development Act, referred to in subsec. (h)(3)(B)(vii), is title III of Pub. L. 87-128, Aug. 8, 1961, 75 Stat. 307, as amended, which is classified principally to chapter 50 (§ 1921 et seq.) of this title. For complete classification of the Act to the Code, see Short Title note set out under section 1921 of this title and Tables.

## CODIFICATION

Pub. L. 110-234 and Pub. L. 110-246 made identical amendments to this section. The amendments by Pub. L. 110-234 were repealed by section 4(a) of Pub. L. 110-246.

## PRIOR PROVISIONS

A prior section, act Feb. 16, 1938, ch. 30, title V, § 515, 52 Stat. 77, provided for appointment and compensation of an advisory committee, prior to repeal by Pub. L. 96-365, title I, § 108, Sept. 26, 1980, 94 Stat. 1317.

## AMENDMENTS

2014—Subsec. (c). Pub. L. 113-79, § 11019, designated first sentence as par. (1) and second sentence as par. (2), inserted headings, and added par. (3).

Subsec. (j)(1). Pub. L. 113-79, § 11020(1), added par. (1) and struck out former par. (1). Text read as follows: “The Secretary shall upgrade the information management systems of the Corporation used in the adminis-

tration and enforcement and this subchapter. In upgrading the systems, the Secretary shall ensure that new hardware and software are compatible with the hardware and software used by other agencies of the Department to maximize data sharing and promote the purpose of this section.”

Subsec. (k)(1). Pub. L. 113-79, § 11020(2), added par. (1) and struck out former par. (1). Text read as follows: “To carry out subsection (j)(1), the Corporation may use, from amounts made available from the insurance fund established under section 1516(c) of this title, not more than \$15,000,000 for each of fiscal years 2008 through 2010, and not more than \$9,000,000 for fiscal year 2011.”

2008—Subsecs. (c) to (h). Pub. L. 110-246, § 12033(c)(2)(B), substituted “this subchapter” for “this chapter” wherever appearing.

Subsec. (h)(3)(B)(i). Pub. L. 110-246, § 12033(c)(2)(A), substituted “This subchapter” for “This chapter”.

Subsec. (j)(1), (2). Pub. L. 110-246, § 12033(c)(2)(B), substituted “this subchapter” for “this chapter”.

Subsec. (j)(3). Pub. L. 110-246, § 12021(a), inserted before period at end “, which shall be subject to competition on a periodic basis, as determined by the Secretary”.

Subsec. (k). Pub. L. 110-246, § 12021(b), added subsec. (k) and struck out former subsec. (k) which related to funding to carry out this section and sections 1502(c), 1506(h), 1508(a)(3)(B), and 1508(f)(3)(A) of this title in fiscal years 2001 through 2005.

Subsec. (k)(1). Pub. L. 110-398 substituted “2010, and not more than \$9,000,000 for fiscal year 2011” for “2011”.

2000—Pub. L. 106-224 amended section generally, substituting present provisions for provisions which had authorized establishment of Advisory Committee for Federal Crop Insurance, described primary responsibility, membership of Committee, and administrative provisions, required annual report regarding progress toward implementation and improved crop insurance coverage, soundness of program, and rate of participation, and set forth termination of authority on Sept. 30, 1998.

#### EFFECTIVE DATE OF 2008 AMENDMENT

Amendment of this section and repeal of Pub. L. 110-234 by Pub. L. 110-246 effective May 22, 2008, the date of enactment of Pub. L. 110-234, see section 4 of Pub. L. 110-246, set out as an Effective Date note under section 8701 of this title.

#### 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.

## § 1516. Funding

### (a) Authorization of appropriations

#### (1) Discretionary expenses

There are authorized to be appropriated for fiscal year 1999 and each subsequent fiscal year such sums as are necessary to cover the salaries and expenses of the Corporation.

#### (2) Mandatory expenses

There are authorized to be appropriated such sums as are necessary to cover for each of the 1999 and subsequent reinsurance years the following:

(A) The administrative and operating expenses of the Corporation for the sales commissions of agents.

(B) Premium subsidies, including the administrative and operating expenses of an

approved insurance provider for the delivery of policies with additional coverage.

(C) Costs associated with the conduct of livestock and wild salmon pilot programs carried out under section 1523 of this title, subject to the limitations in subsections (a)(3)(E)(ii) and (b)(10) of section 1523 of this title.

(D) Costs associated with the reimbursement, contracting, and partnerships for research and development under section 1522 of this title.

### (b) Payment of Corporation expenses from insurance fund

#### (1) Expenses generally

For each of the 1999 and subsequent reinsurance years, the Corporation may pay from the insurance fund established under subsection (c) all expenses of the Corporation (other than expenses covered by subsection (a)(1) and expenses covered by paragraph (2)(A)), including the following:

(A) Premium subsidies and indemnities.

(B) Administrative and operating expenses of the Corporation necessary to pay the sales commissions of agents.

(C) All administrative and operating expense reimbursements due under a reinsurance agreement with an approved insurance provider.

(D) Costs associated with the conduct of livestock and wild salmon pilot programs carried out under section 1523 of this title, subject to the limitations in subsections (a)(3)(E)(ii) and (b)(10) of section 1523 of this title.

(E) Costs associated with the reimbursement, contracting, and partnerships for research and development under section 1522 of this title.

### (2) Policy consideration and implementation

#### (A) In general

For each of the 1999 and subsequent reinsurance years, the Corporation may use the insurance fund established under subsection (c), but not to exceed \$3,500,000 for each fiscal year, to pay the following:

(i) Costs associated with the consideration and implementation of policies, plans of insurance, and related materials submitted under section 1508(h) of this title or developed under section 1522 or 1523 of this title.

(ii) Costs to contract for the review of policies, plans of insurance, and related materials under section 1505(e) of this title and to contract for other assistance in considering policies, plans of insurance, and related materials.

#### (B) Dairy options pilot program

Amounts necessary to carry out the dairy options pilot program shall not be counted toward the limitation on expenses specified in subparagraph (A).

#### (C) Reviews, compliance, and integrity

##### (i) In general

For each of the 2014 and subsequent reinsurance years, the Corporation may use