

## AMENDMENTS

1994—Subsec. (a). Pub. L. 103-354, § 102(b)(2)(A), (4)(C), struck out “of Agriculture” after “Secretary” and “of Directors of the Corporation” after “Board”.

Subsec. (d). Pub. L. 103-354, § 102(b)(2)(B), struck out “Federal Crop Insurance” before “Corporation outstanding”.

1980—Subsec. (a). Pub. L. 96-365, § 101(a), substituted “\$500,000,000” for “\$200,000,000”.

Subsec. (d). Pub. L. 96-365, § 101(b), added subsec. (d). 1977—Subsec. (a). Pub. L. 95-181 substituted “\$200,000,000” for “\$150,000,000”.

Pub. L. 95-47 substituted “\$150,000,000” for “\$100,000,000”.

1949—Subsec. (a). Act Aug. 25, 1949, § 4, struck out second sentence relating to restoration of impairment of capital stock.

Subsec. (b). Act Aug. 25, 1949, § 6, authorized appropriations for subscribing to corporation’s capital stock in order to offset losses suffered prior to time program was placed on an experimental basis in 1947.

## 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.

## EFFECTIVE DATE OF 1980 AMENDMENT

Pub. L. 96-365, title I, § 112, Sept. 26, 1980, 94 Stat. 1319, provided that: “Except as otherwise provided in this Act, the provisions of this Act amending the Federal Crop Insurance Act [amending sections 1504, 1505 to 1507, 1508, and 1518 of this title and repealing section 1515 of this title] shall become effective on the date of enactment of this Act [Sept. 26, 1980].”

Pub. L. 96-365, title I, § 101(a), Sept. 26, 1980, 94 Stat. 1312, provided that the amendment made by section 101(a) is effective Oct. 1, 1980.

## 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.

## CANCELLATION OF OUTSTANDING RECEIPTS FOR STOCK IN EXCESS OF \$27,000,000

Act Aug. 25, 1949, ch. 512, § 5, 63 Stat. 665, provided that: “The Secretary of the Treasury is authorized and directed to cancel, without consideration, outstanding receipts for payments for or on account of the stock of the Corporation in excess of \$27,000,000.”

## INSTITUTION OF EXPANDED PROGRAM; PAYMENT OF COST FOR FISCAL YEAR 1950

Act Aug. 25, 1949, ch. 512, § 11, 63 Stat. 666, provided that: “The expanded program authorized herein [sections 1504, 1505, 1506, 1507, and 1508 of this title] shall be instituted beginning with the 1950 crop year, the additional cost for fiscal year 1950 to be financed, pending the appropriation of supplemental funds, from any appropriation available for operating and administrative expenses of the Corporation for such fiscal year.”

**§ 1504a. Capitalization of Corporation**

The payment for capital stock in the Federal Crop Insurance Corporation shall be effected by transfer of funds on the books of the Treasury Department to the credit of the Corporation.

(June 27, 1940, ch. 437, title I, 54 Stat. 640.)

## CODIFICATION

Section was not enacted as part of the Federal Crop Insurance Act which comprises this subchapter.

## 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.

**§ 1505. Management of Corporation****(a) Board of Directors****(1) Establishment**

The management of the Corporation shall be vested in a Board of Directors subject to the general supervision of the Secretary.

**(2) Composition**

The Board shall consist of only the following members:

(A) The manager of the Corporation, who shall serve as a nonvoting ex officio member.

(B) The Under Secretary of Agriculture responsible for the Federal crop insurance program.

(C) One additional Under Secretary of Agriculture (as designated by the Secretary).

(D) The Chief Economist of the Department of Agriculture.

(E) One person experienced in the crop insurance business.

(F) One person experienced in reinsurance or the regulation of insurance.

(G) Four active producers who are policy holders, are from different geographic areas of the United States, and represent a cross-section of agricultural commodities grown in the United States, including at least one specialty crop producer.

**(3) Appointment of private sector members**

The members of the Board described in subparagraphs (E), (F), and (G) of paragraph (2)—

(A) shall be appointed by, and hold office at the pleasure of, the Secretary;

(B) shall not be otherwise employed by the Federal Government;

(C) shall be appointed to staggered 4-year terms, as determined by the Secretary; and

(D) shall serve not more than two consecutive terms.

**(4) Chairperson**

The Board shall select a member of the Board to serve as Chairperson.

**(b) Vacancies**

Vacancies in the Board so long as there shall be four members in office shall not impair the powers of the Board to execute the functions of the Corporation, and four of the members in office shall constitute a quorum for the transaction of the business of the Board.

**(c) Compensation**

The Directors of the Corporation who are employed in the Department shall receive no addi-

tional compensation for their services as such Directors but may be allowed necessary traveling and subsistence expenses when engaged in business of the Corporation, outside of the District of Columbia. The Directors of the Corporation who are not employed by the Federal Government shall be paid such compensation for their services as Directors as the Secretary shall determine, but such compensation shall not exceed the daily equivalent of the rate prescribed for grade GS-18 under section 5332 of title 5 when actually employed, and actual necessary traveling and subsistence expenses, or a per diem allowance in lieu of subsistence expenses, as authorized by section 5703 of title 5 for persons in Government service employed intermittently, when on the business of the Corporation away from their homes or regular places of business.

**(d) Manager of Corporation**

The manager of the Corporation shall be its chief executive officer, with such power and authority as may be conferred by the Board. The manager shall be appointed by, and hold office at the pleasure of, the Secretary.

**(e) Expert review of policies, plans of insurance, and related material**

**(1) Review by experts**

The Board shall establish procedures under which any related policy or plan of insurance, as well as any related material or modification of such a policy or plan of insurance, to be offered under this subchapter shall be subject to independent reviews by persons experienced as actuaries and in underwriting, as determined by the Board.

**(2) Review of Corporation policies and plans**

Except as provided in paragraph (3), the Board shall contract with at least five persons to each conduct a review of the policy or plan of insurance, of whom—

(A) not more than one person may be employed by the Federal Government; and

(B) at least one person must be designated by approved insurance providers pursuant to procedures determined by the Board.

**(3) Review of private submissions**

If the reviews under paragraph (1) cover a policy or plan of insurance, or any related material or modification of a policy or plan of insurance, submitted under section 1508(h) of this title—

(A) the Board shall contract with at least five persons to each conduct a review of the policy or plan of insurance, of whom—

(i) not more than one person may be employed by the Federal Government; and

(ii) none may be employed by an approved insurance provider; and

(B) each review must be completed and submitted to the Board not later than 30 days prior to the end of the 120-day period described in section 1508(h)(4)(D) of this title.

**(4) Consideration of reviews**

The Board shall include reviews conducted under this subsection as part of the consideration of any policy or plan of insurance, or

any related material or modification of a policy or plan of insurance, proposed to be offered under this subchapter.

**(5) Funding of reviews**

Each contract to conduct a review under this subsection shall be funded from amounts made available under section 1516(b)(2)(A)(ii) of this title.

**(6) Relation to other authority**

The contract authority provided in this subsection is in addition to any other contracting authority that may be exercised by the Board under section 1506(l) of this title.

(Feb. 16, 1938, ch. 30, title V, §505, 52 Stat. 72; Aug. 1, 1947, ch. 440, §8, 61 Stat. 719; Aug. 25, 1949, ch. 512, §7, 63 Stat. 665; Pub. L. 96-365, title I, §102, Sept. 26, 1980, 94 Stat. 1312; Pub. L. 103-354, title I, §§102(b)(3), (4), 103, 115(a), Oct. 13, 1994, 108 Stat. 3181, 3204; Pub. L. 106-224, title I, §142(a)(1), (b), June 20, 2000, 114 Stat. 389, 390; 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

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. (e)(1), (4). Pub. L. 110-246, §12033(c)(2)(B), substituted “this subchapter” for “this chapter”.

2000—Pub. L. 106-224, §142(a)(1), inserted section catchline.

Subsec. (a). Pub. L. 106-224, §142(a)(1), added heading and text of subsec. (a) and struck out former subsec. (a) which read as follows: “The management of the Corporation shall be vested in a Board subject to the general supervision of the Secretary. The Board shall consist of the manager of the Corporation, the Under Secretary of Agriculture responsible for the Federal crop insurance program, one additional Under Secretary of Agriculture (as designated by the Secretary of Agriculture), one person experienced in the crop insurance business who is not otherwise employed by the Federal Government, and three active farmers who are not otherwise employed by the Federal Government. The Board shall be appointed by, and hold office at the pleasure of, the Secretary. The Secretary shall not be a member of the Board. The Secretary, in appointing the three active farmers who are not otherwise employed by the Federal Government, shall ensure that such members are policyholders and are from different geographic areas of the United States, in order that diverse agricultural interests in the United States are at all times represented on the Board.”

Subsec. (e). Pub. L. 106-224, §142(b), added subsec. (e).

1994—Subsec. (a). Pub. L. 103-354, §102(b)(3), (4)(A), (C), in first sentence struck out “of Directors (hereinafter called the ‘Board’)” after “Board” and “of Agriculture” after “Secretary”.

Pub. L. 103-354, §103, in second sentence struck out “or Assistant Secretary” after “Corporation, the Under Secretary” and substituted “one additional Under Secretary of Agriculture (as designated by the Secretary of Agriculture)” for “the Under Secretary or Assistant Secretary of Agriculture responsible for the farm credit programs of the Department of Agriculture”.

Pub. L. 103-354, §115(a)(1), substituted “The Board shall be appointed by, and hold office at the pleasure of, the Secretary. The Secretary shall not be a member of the Board.” for former third sentence which read as follows: “The Board shall be appointed by, and hold office

at the pleasure of the Secretary, who shall not, himself, be a member of the Board.”

Pub. L. 103-354, §102(b)(4)(C), in third sentence struck out “of Agriculture” before “, who shall not”.

Subsec. (c). Pub. L. 103-354, §102(b)(4)(B), (C), struck out “of Agriculture” after “Department” in first sentence and after “Secretary” in second sentence.

Subsec. (d). Pub. L. 103-354, §§102(b)(4)(C), 115(a)(2), in first sentence struck out “upon him” before “by the Board”, and in second sentence substituted “The manager shall” for “He shall” and struck out “of Agriculture” after “Secretary”.

1980—Subsec. (a). Pub. L. 96-365, §102(a), increased Board membership to seven from five persons; substituted provisions including on the Board the Under Secretaries or Assistant Secretaries of Agriculture for crop insurance and farm credit programs and one person experienced in crop insurance business for former provisions including on the Board two other Agriculture Department employees and two persons with insurance business experience; authorized appointment of three active farmers not otherwise Federal employees; and required farmer appointees to be policyholders and representative of agricultural interests of different geographic areas.

Subsec. (b). Pub. L. 96-365, §102(b), substituted “four” for “three” in two places.

Subsec. (c). Pub. L. 96-365, §102(c), substituted as limitation on compensation of Directors of the Corporation not employed by the Federal Government the daily equivalent of rate prescribed for grade GS-18 under section 5332 of title 5 when actually employed, and actual necessary traveling and subsistence expenses, or the per diem allowance in lieu of subsistence expenses, as authorized by section 5703 of title 5 for persons in Government service employed intermittently, when on the business of the Corporation away from their homes or regular places of business for former limitation of \$50 per day when actually employed and transportation expenses plus not to exceed \$10 per diem in lieu of subsistence expenses when on business of the Corporation away from their homes or regular places of business.

1949—Subsec. (c). Act Aug. 25, 1949, reduced compensation of members of Board of Directors who are not Government employees from “not to exceed \$100 per day” to “not to exceed \$50 per day”, and changed from “subsistence expenses” to “transportation expenses and not to exceed \$10 per diem”.

1947—Act Aug. 1, 1947, amended section generally and, among other changes, increased membership of Board from three to five, provided for two members with insurance experience, not Government employees, increased from two to three the number of members necessary to carry on functions and to constitute a quorum, provided for compensation and expenses of Board members not otherwise Government employed, and for appointment of manager of corporation by the Secretary of Agriculture instead of being selected by the Board.

#### 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 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.

#### EFFECTIVE DATE OF 1980 AMENDMENT

Amendment by Pub. L. 96-365 effective Sept. 26, 1980, see section 112 of Pub. L. 96-365, set out as a note under section 1504 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 Crop Insurance Corporation into Agricultural Conservation and Adjustment Administration, see note set out under section 1503 of this title.

#### APPOINTMENT OF BOARD OF DIRECTORS BEGINNING FEBRUARY 1, 2001

Pub. L. 106-224, title I, §142(a)(2), (3), June 20, 2000, 114 Stat. 390, provided that:

“(2) IMPLEMENTATION.—The initial members of the Board of Directors of the Federal Crop Insurance Corporation required to be appointed under section 505(a)(3) of the Federal Crop Insurance Act [7 U.S.C. 1505(a)(3)] (as amended by paragraph (1)) shall be appointed during the period beginning February 1, 2001, and ending April 1, 2001.

“(3) EFFECT ON EXISTING BOARD.—A member of the Board of Directors of the Federal Crop Insurance Corporation on the date of the enactment of this Act [June 20, 2000] may continue to serve as a member of the Board until the members referred to in paragraph (2) are first appointed.”

#### REFERENCES IN OTHER LAWS TO GS-16, 17, OR 18 PAY RATES

References in laws to the rates of pay for GS-16, 17, or 18, or to maximum rates of pay under the General Schedule, to be considered references to rates payable under specified sections of Title 5, Government Organization and Employees, see section 529 [title I, §101(c)(1)] of Pub. L. 101-509, set out in a note under section 5376 of Title 5.

#### § 1506. General powers

##### (a) Succession

The Corporation shall have succession in its corporate name.

##### (b) Corporate seal

The Corporation may adopt, alter, and use a corporate seal, which shall be judicially noticed.

##### (c) Property

The Corporation may purchase or lease and hold such real and personal property as it deems necessary or convenient in the transaction of its business, and may dispose of such property held by it upon such terms as it deems appropriate.

##### (d) Suit

Subject to section 1508(j)(2)(A) of this title, the Corporation, subject to the provisions of section 1508(j) of this title,<sup>1</sup> may sue and be sued in its corporate name, but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Corporation or its property. The district courts of the United States, including the district courts of the District of Columbia and of any territory or possession, shall have exclusive original jurisdiction, without regard to the amount in controversy, of all suits brought by or against the Corporation. The Corporation may intervene in any court in any suit, action, or proceeding in which it has an interest. Any suit against the Corporation shall be brought in the District of Columbia, or

<sup>1</sup> So in original.