

UNITED STATES DEPARTMENT OF AGRICULTURE  
Federal Crop Insurance Corporation  
OMB NUMBER: 0563-0053

TITLE:

Multiple Peril Crop Insurance

PURPOSE:

The purpose for this request to the Office of Management and Budget (OMB) is for approval of Information Collection Burden package 0563-0053. This was previously approved for a three year period. A notice for the request for public comment on information collections related to renewal of information collection package number 0563-0053 was published in the Federal Register on December 18, 2007.

Impact of Notice on Public Information Collection Burden

In computing the information collection burden for this renewal submission it was discovered that the time allotted for the reading of the insurance documents was not accounted for in the entire crop insurance process in the previous submission. Time for decisions and choices a producer may need to make from year to year were considered. The required reports from insurance companies to FCIC were also considered.

The information collection burden on the producer is not the same as the information collection burden on the insurance companies. Some of the data elements collected from the individual producer are the same data elements the insurance companies send to FCIC, however, not all data elements apply to each producer in any given year and some of the data elements that apply to the companies do not apply to producers. Specific circumstances determine which data elements apply. The information collection burden on the producer depends on the crops insured, if it is the first year of the continuous contract, if there is a loss, if options are elected, etc. The producer may have a larger information collection burden the first year by applying for insurance and completing the acreage report. The following years the producer may only have to report acreage and yield information if there is no loss. In the event of a loss, there is an additional information collection burden on the producer. Producers will report specific information by crop for each crop they insure. The insurance companies will generally always have an information collection burden consisting of all of the data elements listed because the data elements will be accumulated from each producer who has insurance with that insurance company. Insurance companies will report data elements to FCIC as specifically required by FCIC and as documented in the Data Acceptance System Handbook (Appendix III).

## A. JUSTIFICATON

1. **Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.**

The Federal Crop Insurance Corporation (FCIC) is a wholly-owned Government corporation created February 16, 1938 (7 U.S.C. 1501). The program was amended previously, but Public Law 96-365, dated September 26, 1980, provided for nationwide expansion of a comprehensive crop insurance program. The Federal Crop Insurance Act (Act), as amended in later years, further expanded the role of the crop insurance program to be the principal tool for risk management by producers of farm products. The Act further required that the crop insurance program operate on an actuarially sound basis. To meet these goals, existing crop programs must be improved and expanded, new crop products developed, and new insurance concepts studied for possible implementation. Meeting these goals requires the collection of a wide range of information (data elements). These data elements are used in part to determine insurance coverage, premiums, subsidies, payments, and indemnities. It allows for other program and administrative operations. It also creates an information database used to support continued development and improvements in crop insurance products available to producers and which meet the goal of a sound insurance program. The Act allows a person to submit a policy, provision of a policy, or rates of premium to the Board for approval. The Act was again amended on June 20, 2000, by Public Law 106-224 which mandated changes to crop insurance regulations, provided for independent review of crop insurance products by persons experienced as actuaries and in underwriting, and gave contracting authority for the development of new products.

The Federal Crop Insurance Corporation (FCIC) offers a Standard Reinsurance Agreement (SRA) to eligible crop insurance companies under which FCIC will reinsure policies that the crop insurance companies issue to producers of agricultural commodities. The SRA contains terms and conditions that apply.

The public can locate an insurance company designated by the United States Department of Agriculture (USDA) to provide crop insurance coverage through the SRA by accessing the Risk Management Agency (RMA) web site at: <http://www.rma.usda.gov/>. This site provides a listing of crop insurance agents who are affiliated with those crop insurance companies. Addresses and telephone numbers are also included. A person can provide specific information and a listing of agents is provided for the information submitted.

2. **Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.**

The information collection requirements for this revised package are necessary for administering the crop insurance program. Insurance companies must obtain enough information so insurability, liability, premium, subsidy and indemnities can be accurately determined. It is important that insurance agents work closely with producers to collect accurate information since the guarantee, liability, premium, subsidy, and any applicable indemnities are based on this information.

**a. What information will be collected – reported or recorded? (If there are pieces of information that are especially burdensome in the collection, a specific explanation should be provided.)**

The insurance cycle begins with an approved application. On or before the sales closing date, the producer contacts an insurance agent associated with an insurance company reinsured by FCIC to obtain information about insurance and apply for coverage. The insurance agent describes the types of insurance that are available, levels of coverage, options and other requirements that may be crop-specific. If the producer elects to apply for insurance coverage, the insurance agent will enter the data on the application using input from the producer, the producer then signs the applicable documents. In order to establish the guarantee, the producer must report to the insurance agent actual planted acreage and production for previous crop years by unit, practice, type, and variety, at the time of application. After the year of application, the producer must report to the insurance agent, actual planted acreage and production, by unit, practice, type, and variety for the previous crop year by the earlier of the acreage reporting date or 45 days after the cancellation date, unless otherwise stated in the Special Provisions. This information is used to complete the production and yield report and establish the producer's approved Actual Production History (APH) yield used to determine insurance coverage, for the covered years, unless the producer qualifies for and elects an exception as specified in the specific crop policy. APH yields must be determined by unit and reported for the appropriate unit. If the producer meets the qualifications, unit arrangements may change every year which makes it more difficult to assure the correct APH yield is reported by unit. The APH production base period contains a maximum of 10 years of production history that may be used to establish the approved APH yield. A minimum of 4 years of actual or RMA established yields are required to establish the APH yield. Generally the production guarantee for each unit is computed by multiplying the percentage of coverage selected by the producer by the approved APH yield for each unit. The production guarantee per acre multiplied by the projected price or price election selected by the producer, as applicable equals the per acre protection. The net protection or insurance liability is determined by multiplying the per acre protection times the insured acres times the producer's share in the crop. Insurance agents must be knowledgeable of the crop policies for each crop they sell and service insurance so they can assist the producer in obtaining insurance and accurately reporting required information. Insurance agents must be certified and receive continuing education each year from the insurance company or a crop insurance service organization. Many crops are insurable by type/variety/practice, some policies have additional options that may be selected, and some policies have distinct exceptions to other policies. Most producers rely on their insurance agents to assist them in timely and accurately reporting all required information.

The producer plants the crop, and insurance attaches to the crop upon planting or attaches as stated in the applicable crop provisions. Annual crops must be planted prior to the final planting date specified in the Special Provisions or the insurance guarantee will be reduced.

FCIC requires crop acreage information to be submitted to the insurance agent by each producer on or before a specific date listed in the Special Provisions. The policies insurance companies sell to producers, that are Codified in the Federal Register at 7 CFR Part 400, contain specific provisions for the reporting of acreage. The Basic Provisions states specific information (data) the producer must submit on the acreage report. The name of the crop, the number of timely planted acres, late planted acres, acres that were prevented from planting, the number of insurable and uninsurable acres, the producer's share of the crop, date planting is completed, name of person sharing in the crop, APH yield, practice, type, class, or variety, location of the acreage, etc., are entered on the acreage report, as applicable, with each line requiring a unit number. This information is used to determine liability, premium, and subsidy. If the producer does not submit

crop information by the acreage reporting date, or if the producer fails to report all units, the insurance company may elect to determine by unit, the insurable crop acreage, share, type and practice, or to deny liability on such units. Program procedures require producers to report acreage information to their insurance agent who transmits it to the insurance company, who in turn transmits it to RMA. A summary of coverage is issued by the insurance company to the producer which shows the amount of the producer's protection and the premium based on the commodity information provided by the producer. Insurance agents generally know the producer's farming operation and location and they assist the producer in reporting the correct data by asking the appropriate questions, referencing plat books and maps, comparing previous information available in the producer's office file folder, etc., to verify that the data is reported correctly.

If the crop sustains an insurable loss, the producer gives notice of a loss to the insurance agent who notifies the insurance company. A loss adjuster will make appropriate inspections and record data pertaining to the crop appraisal when adjusting losses, to determine the amount of indemnity owed to the producer. The insurance company will issue an indemnity check to the producer, if applicable.

The producer is notified on or before the contract change date when policy provisions or actuarial documents change for a crop. The producer may accept these changes or make other modifications to the insurance coverage by the sales closing date. If the producer desires to make changes for the crop, the producer may do so by the applicable sales closing date for the effective crop year. If the producer wishes to cancel coverage this must be done in writing by the cancellation date (but not for the year of application).

The insurance policy is continuous unless, prior to the cancellation or termination date, it is canceled in writing by the producer or terminated by the insurance company for debt or any other reason stated in the policy that causes the producer to be ineligible for coverage. Cancellation and termination dates are contained in the policy.

The following data must be reported to FCIC by insurance companies, in accordance with Appendix III:

- A. Each crop insurance company must annually file A Plan of Operation with FCIC for the reinsurance year.
- B. A weekly submission of data must be reported.
- C. A monthly submission of data must be reported.
- D. Revisions of data must be submitted no less than monthly, for a period of one year following annual settlement. Thereafter, electronic data processing (EDP) revisions need only be submitted in any month where data changes as a result of court action, compliance, audit or investigative related findings by the Government or the company up to three years after first annual settlement.
- E. Electronic loss data for the purpose of funding the escrow account must be reported.
- F. Monthly operations reports for the purpose of making monthly settlements with FCIC regarding reimbursement of administrative expenses, losses, if applicable, and payment to FCIC of premiums collected must be provided. They are required to be submitted through annual settlement time. Monthly submission of data is mandatory through annual settlement if any activity occurred during the month.
- G. Annual settlement operations reports must continue to be submitted for any month that revised data are submitted.
- H. A full book of business is required to be submitted twice annually during the first week after the February and August monthly transaction cutoffs.

- I. For new and carryover policies, the company must designate eligible crop insurance contracts to the assigned risk fund, developmental funds, or commercial funds.

**b. From whom will the information be collected? If there are different respondent categories (e.g., loan applicant versus a bank versus an appraiser), each should be described along with the type of collection activity that applies.**

Insurance companies reinsured by FCIC under the SRA are required to report and electronically submit specific information (data elements) and accurate data to FCIC as documented in Appendix III. Crop insurance companies, including its agents, must collect data from producers in order to submit the required data to RMA. Producers are required to report specific data when they apply for crop insurance and report acreage, yields and notices of loss. Producers must report specific information if the crop insurance program is to be actuarially sound as mandated by the Act. Section 506(o) of the Act is relative to actuarial soundness and sections 506(h) and 508(f) and (g) of the Act are relative to the collection of information.

Insurance companies accept applications; issue policies; establish and provide insurance coverage; compute liability, premium, subsidies, and losses; indemnify producers; and report specific data to FCIC as required in Appendix III. Insurance agents market crop and livestock insurance and service the producer. The following commodities (and Adjusted Gross Revenue (AGR) and Adjusted Gross Revenue Lite (AGR-Lite)) are included in this information collection package: almonds, apples, avocados, barley, dry beans, beans, , blueberries, buckwheat, cabbage, canola/rapeseed, cattle, cherries, citrus fruit, citrus trees, clams, corn, sweet corn, cotton, cranberries, figs, flax, forage production, forage seed, forage seeding, fruit trees, grain sorghum, grapes, Hawaiian tropical fruit and tree, hybrid seed corn, hybrid sorghum seed, lamb, lentils, macadamia nuts, macadamia trees, millet, mint, mustard, nursery, oats, onions, pasture, peaches, peanuts, pears, dry peas, green peas, pecans, chili peppers, peppers, plums, popcorn, potatoes, prunes, raisins, rangeland, rice, wild rice, rye, safflowers, soybeans, stonefruit, strawberries, sugar beets, sugar cane, sunflowers, sweet potatoes, swine, tobacco, tomatoes, walnuts, and wheat.

**c. What will this information be used for – provide ALL uses?**

Loss data must be submitted for the purpose of funding the escrow account. The escrow account balance must be monitored by the companies so they can maintain sufficient collateral coverage to ensure timely funding of all losses. If there is a shortfall of funds in the escrow account, it is the insurance company's responsibility to deposit funds to cover any shortages. Monthly Operations Reports must be submitted for the purpose of making monthly settlements with FCIC regarding reimbursement of administrative expenses, losses, if applicable, and payment of premium to FCIC. A Data Acceptance System (DAS) Error Report must be submitted to Data Quality Section (DQS) for guidance in correcting data rejected in the DAS. The gain or loss of the Company is calculated in the monthly Reinsurance Run Report generated by FCIC from data submitted by the Company. The FCIC (DAS) and Accounting Reports System (ARS) are two integrated data processing systems. DAS receives and validates transmitted data. Data validated by DAS is loaded to RMA databases. The ARS generates all accounting reports containing reinsured company data. Together they provide FCIC with a mechanism to ensure data received is accurate, errors are corrected timely, information contained in Monthly Operations Reports certified by the Companies is accurate for the data validated, and appropriate accounting entries are made in FCIC's Financial Accounting Systems. Annual settlement Operations Reports must continue to be submitted for any month that revised data are submitted. Court action, compliance, audit or investigative related findings by the Government or the insurance company after the September accounting cut-off

following 5 years from the beginning of the reinsurance year must be reported to FCIC by the last banking day of each month corresponding to the transaction cutoff date.

Insurance policies are sold exclusively through insurance companies reinsured by FCIC in accordance with the SRA. In addition, insurance companies reinsure a portion of their risk for loss with other reinsurers as well. The insurance companies and their reinsurers assume liability. Insurance liability is determined from the information provided on the acreage report. Insurance companies are compensated for collecting acreage report information in accordance with the SRA. Producers may potentially report some of the same acreage information to both the insurance agent and a government agency. However, it is unrealistic insurance companies would accept acreage report information from any third party, since such information is used to determine the insurance liability an insurance company assumes and establishes the contractual obligations between the producer and the insurance company. As such, the insurance company incurs all financial liability for errors and omissions to the extent the producer is not at fault.

Insurance companies, and its representatives and agents, are liable for information that is reported on the acreage report and subject to legal implications if the information is not recorded or reported correctly. In accordance with the SRA, the insurance company and/or agent may be held responsible for any subsequent loss or indemnity and may be rendered ineligible for reinsurance and a portion or all of any administrative and operating subsidy, if a reinsured company representative or agent makes an error, reports incorrectly, omits information, or misrepresents information. Insurance companies and their agents are required to provide service and benefits to their clients in accordance with the SRA and approved policy provisions and procedures of FCIC.

**d. How will the information be collected (e.g. forms, non-forms, electronically, face-to-face, over the phone, over the Internet)? Does the respondent have multiple options for providing the information? If so, what are they?**

RMA does not develop or distribute forms but creates form standards for the insurance companies to use so insurance companies have the appropriate data available to submit to FCIC in required reports. Appendix III lists the fields of required data by type/exhibit. Exhibits specify formulas, rounding rules, field edits, descriptions, etc. Insurance companies use this information for programming their computers so information can be submitted to RMA in the correct format. (For information collection purposes, RMA is using the types/exhibits information as the data elements). Following is a list of the types/data elements/exhibits and a brief explanation of each:

Type 05 – CIMS Request Record – (Exhibit 05) - Type 05 records are used to request insured producer data from the Comprehensive Information Management System, CIMS.

Type 09 – Fund Designation Record – (Exhibit 09) – Timely acceptance of the Type 09 record is required to establish the eligible crop insurance contract into either the Assigned Risk Fund or the Developmental Fund. Any eligible crop insurance contract not designated by the approved insurance provider to the Assigned Risk Fund or the Developmental Fund will be designated to the Commercial Fund. RMA may accept fund designations records after the Actuarial Data Master (ADM) records have been released for the crop.

Type 10 – Policy Record – (Exhibit 10) - Type 10 records are used to establish a policy and provide information regarding the policyholder and entities with a Substantial Beneficial Interest, Spouse, Landlord, and Transfer of right to indemnity.

Type 11- Acreage record – (Exhibit 11) - Type 11 records are used to establish premium and liability for each line on the acreage report. The record also identifies the land location and allows reporting of common USDA information.

Type 12 – Payment Record – (Exhibit 12) - Type 12 records are used to record/report payments by producers for each eligible crop insurance contract.

Type 13 – Inventory Value Record – (Exhibit 13) - Type 13 records are used to establish premium and insurance values for Nursery and Aquaculture.

Type 14 – Insurance in Force Record – (Exhibit 14) - Type 14 records establish the crop, county, plan code and reports the eligible crop insurance contract data determined at sales closing. Type 14 records identify the data elements required for timely reporting of eligible crop insurance contracts.

Type 15 – Yields Record – (Exhibit 15) - Type 15 records are used to record/report APH yield information for designated crops.

Type 17 – Land Identifier Record – (Exhibit 17) - Type 17 records are used to record/report up to ten corresponding legal descriptions and three persons sharing in the crop for the Type 11 record.

Type 20 – Loss Total Record – (Exhibit 20) - Type 20 records are used to identify the application or disbursement of loss payments.

Type 21 – Loss Line Record – (Exhibit 21) - Type 21 records establish the loss amounts for a given eligible crop insurance contract.

Type 22 – Inventory Loss Record (Nursery and Aquaculture) - (Exhibit 22) - Type 22 records establish the loss amounts for a given eligible crop insurance contract.

Type 25 – Settlement/Arbitration Record – (Exhibit 25) - Type 25 records establish the settlement amounts for a given eligible crop insurance contract that will not pass normal Data Acceptance System (DAS) edits and the Type 20 record identifies the application or disbursement of loss payments.

Type 27 – Common Land Unit ID Records – (Exhibit 27) - Type 27 records are used to record/report up to fourteen corresponding common land unit IDs and associated acres for the Type 11 record.

Type 49 – Delete Records – (Exhibit 49) - Type 49 records are used to remove all records for the eligible crop insurance contract from the data base(s) and the duplicate T14 Indexed Sequential Access Method (ISAM) files.

Type 55 – Agent Data – (Exhibit 55) - Type 55 records are used to record/report agent information. The agent records on the database are maintained by the approved insurance providers.

Type 56 – Loss Adjuster Data – (Exhibit 56) - Type 56 records are used to record/report loss adjuster information.

Type 57 – Quality Control Reporting Record – (Exhibit 57) - Type 57 records are to be submitted annually by April 30 following the crop year for all reviews required to be performed by Appendix IV.

Type 60 – Ineligible Producer Input Record – (Exhibit 60) - Type 60 records are used to submit information regarding a producer's ineligibility status for participation in the crop insurance program.

Type 60E – Ineligible Producer Error Record – (Exhibit 60E) - Type 60E records are generated during the ineligibility tracking edit process to identify errors made during the edit process.

Type 61- Ineligible Producer Output Record – (Exhibit 61) - Type 61 records are generated from the ineligibility tracking system database and output to the Ineligible Tracking (IT) output directory on the IP server for all companies. This file is an accumulation created daily after each ITS load of all producers that have been reported as ineligible, their period(s) of ineligibility and their current eligibility status. This also includes persons reported by RMA for suspension/disqualification/debarment.

Type 65 – CAT Fee Receivable Record – (Exhibit 65) - Type 65 records are submitted along with Type 60 records if the debt is all or partially due to unpaid CAT fees.

Type 70 – Reverse 70 Detail Record – (Exhibit 70) - Type 70 records are submitted semi-annually by approved insurance providers for each eligible crop insurance contract to reflect the current status of the approved insurance provider database. Type 70 records replace and reinitialize FCIC's reconciliation database.

Type 71 – Reverse 71 Trailer Record – (Exhibit 71) - Only one Type 71 record is permitted with each semi-annual submission of type 70 records. The counts and amounts are used to validate the summation of type 70 records received.

Type 81 – Policy Holder Tracking Experience Inquiry –Type 81 records track policyholder experience.

AGR/AGR-L – (Exhibits 123, 151)

LRP/LGM – (Exhibits 135-140)

Disbursements – (Exhibit 150)

**e. How frequently will the information be collected?**

It is estimated the number of responses per respondent for the crops included in this information collection package is 3.7 responses.

**f. Will the information be shared with any other organizations inside or outside USDA or the government?**

The information (data) collected may be used by other Federal Agencies, insurance companies reinsured by FCIC, and other agencies that require such information in the performance of their duties. The information may also be furnished to: the Internal Revenue Service, the Department of Justice, or other federal or state law enforcement agencies, credit reporting agencies and collection



agencies, and in response to judicial order in the course of litigation. The information requested is elective, but is required to obtain or retain crop insurance benefits. The producer must provide accurate and complete data so insurance companies and FCIC can accurately determine liability, subsidy, premium, and the amount of indemnity due a producer, if applicable, and keep the insurance program actuarially sound. A false claim made to the insurance provider or FCIC, or a false statement made on a matter within the jurisdiction of the Corporation, may subject the maker to criminal and civil penalties under the provisions of 18 U.S.C., 1001, 1006, 1014; 31 U.S.C. 3729, and 3730.

**g. If this is an ongoing collection, how have the collection requirements changed over time?**

Collection requirements remain unchanged. However, new pilot crop insurance programs have been added and FCIC has terminated other pilot crop insurance programs.

**3. USE OF INFORMATION TECHNOLOGY:**

In compliance with "Section 508(a)(5) of the Act, Corporations to the maximum extent practicable, shall allow producers and approved insurance providers to use electronic methods to submit information required by the Corporation.

The insurance companies, under the oversight of FCIC, are offering service delivery functions over the Internet. Internet-based services provided by these entities will be offered as an alternative to traditional paper-based delivery mechanisms, which are primarily based on face-to-face interaction between producers and insurance agents. FCIC will continue to work directly with insurance companies to ensure timely implementation with all statutory requirements. FCIC is also working in conjunction with the Farm Service Agency, Natural Resources Conservation Service, and Rural Development to fully integrate web-based information systems.

The Office of Management and Budget through their authority under the Paperwork Reduction Act of 1995 and e-Government, Congress, and other USDA stakeholders have defined expectations for USDA's performance in carrying out the requirements of the legislated directives. These expectations address the quality of USDA's effort in providing the electronic service delivery alternative. Some of the expectations reflect the "best practices" of commercial e-commerce service providers in that their service delivery practices tend to raise the expectations of the customers that will also take advantage of the services provided by USDA and insurance companies.

Insurance companies that sell and service crop insurance, and crop insurance service organizations, generate computer forms used to collect data elements in accordance with FCIC's information collection standards. Insurance company representatives and agents send the information they collect to the insurance companies electronically or by hard copy documents. This information is entered into insurance company databases and is used by the insurance company to sell, service, underwrite, train, and develop new products. Insurance companies use computer programs that process information in a format compatible with FCIC's automated systems. This enables insurance companies to report required data elements to FCIC electronically. Some insurance companies have their computer programs programmed to automatically send the data by a specific time each day and other insurance companies send the information less frequently. FCIC has established deadlines for receiving information or penalties will apply. This information is used to determine expenses of the Corporation including premium subsidies, indemnities, administrative and operating expenses of the Corporation necessary to pay the sales commissions

of insurance agents, and all administrative and operating expense reimbursements due under reinsurance agreements with approved insurance companies.

At the present time insurance companies may or may not be exchanging data electronically with their insurance agents or accepting electronically submitted data from individual producers. Any person wishing additional information may contact an insurance company or insurance agent listed on RMA's web site at: <http://www.rma.usda.gov/>.

#### **4. EFFORTS TO IDENTIFY DUPLICATION:**

The Farm Service Agency (FSA) collects certain information from producers to enable producers to be eligible for program benefits from that agency. Some of this information is a duplication of the information that insurance companies collect from producers and that FCIC requires the insurance companies to report to FCIC. FSA collects much of the same type of information for crops under the Noninsured Crop Assistance Program (NAP). However it is not the same information because NAP is only available for crops produced for food or fiber and for which catastrophic risk protection under section 508(b) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)) is not available.

The Federal Crop Insurance Corporation is the only Federal agency that administers crop insurance. Only pertinent data is requested. FCIC attempts to minimize cost and avoid duplication. Crop insurance has the statutory authority to collect acreage report data, codified regulations mandate it, and the insurance companies reinsured by FCIC are required to collect and to report data accurately and are subsequently liable for the data that must be reported. As an alternative, insurance companies and/or FCIC may furnish pertinent information to other government agencies, when it is available, to prevent duplication of information collection. The crop insurance industry insures approximately 65 percent of all crop land acreage.

Crop insurance has established specific data that is needed for the reporting of acreage such as acres, crop practices, types, planting dates, crop shares, location of the acreage, APH yields, etc., by unit to establish the guarantee, liability, premium, subsidy, and any indemnity that may subsequently be due. For example, acreage for crop insurance must be reported by timely planted acreage, late planted acreage, acreage that is uninsurable and acreage that qualifies for a prevented planting payment. Each unit has a specific actual production history (APH) yield, as applicable, which must correspond, to the reported acreage. Unit arrangements for crop insurance are not established in the same manner for all crops. Crop insurance regulations have unique unit division guidelines that are not shared with any other government agency. FCIC must require enough information so the insurance program is actuarially sound.

If a government agency had the option of collecting acreage report data for the insurance agent, the agent may consider this involvement as an interference with their customer relationship. Some producers do not participate in other government programs and they may object to providing acreage and financial information to other agencies rather than their insurance agent, if this option should exist. Also, the agency personnel would have to be trained on all the insurable crops in the county, or in some circumstances, all of the insurable crops in the immediate and surrounding counties. Training the personnel to collect the correct data implies certain costs and raises liability issues. The training requirements would be ongoing due to changes in the crop insurance program from year to year. This would constitute a duplication of effort and cost because two different parties would receive similar training in order to service the producer, regardless of whether they actually collect the crop acreage data. Insurance companies are paid to collect acreage report

data in accordance with the SRA. It would be undue use of taxpayer money to pay for the same services to two distinct different parties.

**5. METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR ENTITIES:**

The information collection requirements involve producers of agricultural products who are insured and insurance companies reinsured by FCIC, which includes their agents and representatives. The burden of the information collection will vary depending on whether or not the producer cancels the insurance coverage then reapplies, whether options are elected, the number of crops insured, if the crop is damaged by an insurable cause, if the producer has a first and second crop on the same acreage in the same crop year, etc. RMA strives to minimize the reporting burden but must collect enough information to keep the crop insurance program actuarially sound as mandated by the Act.

**6. CONSEQUENCE IF INFORMATION COLLECTION WERE LESS FREQUENT:**

If specific information is not collected by the specified dates, the producer may not have insurance coverage or the amount of insurance may be reduced. The crop insurance program would not be administered in an actuarially sound manner if specific information (data) were not collected by the established dates.

If producers and insurance companies did not submit the required data at the specified time, accurate liabilities, premium, and subsidies may not be determined, errors may not be resolved timely, producers may not receive accurate indemnities, payments may be late, crop insurance may not be actuarially sound as mandated in the ACT, crop insurance may operate illegally, etc.

**7. SPECIAL CIRCUMSTANCES OF THE INFORMATION COLLECTIONS**

The information collection activities contained herein are not collected more frequently than quarterly from producers. Insurance companies must submit specific required data to RMA on a weekly, monthly, and annual basis. FCIC does not require the respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it. The respondents are not required to submit more than an original and two copies. Insurance companies maintain records longer than 3 years as a normal business practice. Producers normally maintain records for an indeterminate amount of time because of income tax obligations. No statistical survey is conducted by these collections. No statistical data classification that has not been reviewed and approved by OMB is used. A pledge of confidentiality is not required. No proprietary trade secrets or other confidential information are requested.

The collection of information involves producers and approved insurance providers. Specific information (data) is required to apply for crop insurance, determine program eligibility, report crop information, establish liability, change coverage, determine a loss, etc. Producers must provide records, documents, or other information to the approved insurance provider during an investigation or settlement of a claim. Approved insurance providers may provide late or prevented planting coverage, or provide coverage under a written agreement when coverage would not otherwise be available, etc. Pertinent information must be collected by the established dates to administer the crop insurance program in an actuarially sound manner.

**8. FEDERAL REGISTER NOTICE, SUMMARIZATION OF COMMENTS, AND CONSULTATION WITH PERSONS OUTSIDE THE AGENCY:**

A notice requesting public comments was published in the Federal Register on December 18, 2007. A total of 5 comments were received from 2 commenters. The commenters were an insurance services organization and an insurance provider. The comments received and FCIC's responses are as follows:

*Comment:* One commenter stated the reference to "Manual 13" could be updated to reflect its new name, "Appendix III."

*Response:* FCIC agrees and has corrected accordingly.

*Comment:* One commenter stated the Avocado and Mango Tree Pilot Crop Provisions have been incorporated into the Florida Fruit Tree Pilot Crop Provisions. The commenter recommended changing the reference to "avocado and mango trees" to "fruit trees."

*Response:* FCIC agrees and has corrected accordingly.

*Comment:* One commenter stated the abstract lists Nutrient BMP, blackberries, and raspberries which are programs that are no longer available.

*Response:* FCIC has removed Nutrient BMP, blackberries, and raspberries from the list of commodities included in the information collection package.

*Comment:* Two commenters stated the new Pilot Biotech Yield Endorsement (BYE) and LRP-Lambs are not included on the list of commodities.

*Response:* The Pilot Biotech Yield Endorsement (BYE) is a new crop insurance product that lowers premiums and recognizes growers who plant non-irrigated corn for grain with qualifying hybrids. Since BYE is an endorsement for corn and corn is on the list of commodities included in the information collection package, the addition of BYE is not necessary. FCIC has added lambs to the list of commodities.

*Comment:* Two commenters asked how this system of records would accommodate other new coverage programs that are pending and whether this Information Collection also extends to programs developed under 508(h) and 523(d) of the Federal Crop Insurance Act.

*Response:* New coverage programs and programs developed under 508(h) and 523(d) of the Federal Crop Insurance Act will be covered under this information collection package. The burden associated with this rule is only an estimate.

Consultations and submission of comments regarding the administration of the Crop Insurance Act, as amended, are received on an ongoing basis from an insurance service organization and the 15 insurance companies reinsured by FCIC who are under contract with FCIC to sell and service crop insurance (approved insurance providers).

**9. EXPLAIN ANY DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS.**

A payment or gift will never be provided to respondents for providing the information requested for this crop insurance program.

**10. CONFIDENTIALITY PROVIDED TO RESPONDENTS:**

The data that is collected is handled according to established RMA procedures for implementing the Privacy and Freedom of Information Act. The information collections comply with the Privacy Act of 1974 and OMB Circular A-130, Responsibilities for the Maintenance of Records About Individuals by Federal Agencies.

**11. QUESTIONS OF A SENSITIVE NATURE:**

No questions of a sensitive nature are contained in these data elements.

**12. ESTIMATE OF INFORMATION BURDEN:**

Respondents	Annual Responses	Total Hours	Minutes Per Response	Responses Per Respondent
Private Sector				
20,000	750,000	162,634	13.0107	37.5
Local, State and Tribal Governments				
500	1,050	332	18.9714	2.1
Individuals/Households				
1,147,016	3,584,055	1,626,008	27.2207	3.124677
Grand Totals				
1,167,516	4,335,105	1,788,974	24.7603	3.71

The estimated annual public burden of 1,788,974 hours divided by 1,167,516 projected respondents gives an average burden of 1.5 hours per year for each respondent.

Cost to Respondents: The estimated total burden cost is \$12,956,790 per year.

The hourly wage for each respondent was estimated as follows:

Organic Certifying Agent	\$15.00
Crop Insurance Representative	\$12.00
Agent	\$10.00
Producer/Agent/Crop Ins. Rep.	\$ 9.44
Producer/Crop Ins. Representative	\$ 9.16
Agent/Producer	\$ 8.16
Agent/Clerk	\$ 7.30
Agent/Clerk/Producer	\$ 6.81
Producer	\$ 6.32
Clerk	\$ 6.00

**13. TOTAL ANNUAL COST TO RESPONDENTS OR RECORD KEEPERS**

The insurance companies report that the average yearly expenses are approximately 2.71 percent of gross premium for telephone lines, transferring data, programming, support and research of data reporting errors, and computer processing time.

The total premium for the 2006 reinsurance year was 4.6 billion. The costs of reporting data, processing data, and software programming would equate to \$124,660,000.

**14. ANNUAL COST TO THE FEDERAL GOVERNMENT:**

There is no cost to the Federal Government for the collection of information. The information is collected by the insurance companies through their representatives and agents. However, approved insurance providers are required to submit specific data to RMA in accordance with Appendix III and the SRA. RMA estimates it costs the Federal Government \$3,600,000 annually to directly receive, store, and format the data from the insurance companies that they have collected. Of this amount \$500,000 is for hardware to receive the information, \$300,000 is for maintenance and operations of the hardware, \$1,500,000 is for application, programming, and database loads for Reinsurance Accounting System/FCIC Data Acceptance System (RAS/DAS), and \$1,300,000 is for Federal employee salaries to resolve errors, expense reimbursements and loss payments.

FCIC does not produce or distribute forms. Therefore, there is no cost of producing or distributing forms to the Federal Government.

**15. REASONS FOR CHANGES IN BURDEN:**

The burden hours have increased due to added hours for the public to read the insurance documents; new pilot crop insurance programs for Biotech Yield Endorsement, LRP Lambs, LTR Dry Peas/Lentils, Hawaiian Tropical Fruit & Tree, NDVI Pasture, Rangeland, and Forage, and Rainfall Pasture, Rangeland, and Forage. FCIC terminated the pilot crop insurance programs for Nutrient BMP, fresh market beans, cucumbers, winter squash, raspberries and blackberries which reduced the burden hours. The burden hours for the information collection requirements are assessed for producers and approved insurance providers by data element. The estimated total public burden per year for approved insurance providers to provide RMA with the required reports is 663,733 hours and for producers to give the information to agents and insurance representatives is 501,100 hours. RMA has also added 624,141 burden hours to read crop insurance documents each year. The estimated total public burden hours per year for all entities are 1,788,974. The total burden hours increased by 328,709.

**16. TABULATION, ANALYSIS AND PUBLICATION PLANS**

Participation data is used by FCIC to make programmatic recommendations and changes, to determine administrative and operating and premium subsidy expenses of the Corporation, and determine producer guarantees, premium, and any applicable indemnities. The data is not planned for publication.

**17. REASONS DISPLAY OF EXPIRATION DATE OF OMB APPROVAL IS INAPPROPRIATE.**

RMA does not produce or distribute forms, therefore, there is no request to not display an expiration date on forms.

**18. EXCEPTIONS to 83-I CERTIFICATION STATEMENT**

This information collection meets the certification requirements of SF-83-I, Item 19.

**B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS.**

The information collections represented in this docket do not employ statistical methods.