



NEWS from U.S. Senator Bob Dole

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DOLE TO INTRODUCE NEW FEDERAL CROP INSURANCE PROGRAM

WASHINGTON -- Sen. Bob Dole (R-Kan.) announced today that he will introduce early next week the "Federal Crop Insurance Expansion Act of 1979," designed to expand and improve the current system of crop insurance programs.

The expiration of the Crop Disaster Payments Program at the end of this year provided the opportunity to design this new and comprehensive response to the risks agricultural producers face from crop losses due to causes beyond their control.

The Dole bill has these basic features:

1. Requires the Federal Crop Insurance Corporation to expand into all agricultural counties and also provide coverage for six basic commodities: wheat, cotton, corn, rice, grain sorghum and barley. Currently, federal crop insurance is not available in all counties, nor does it cover all basic commodities.

2. Coverage will include up to 85 percent of a farm's average yield, in contrast to the existing limitation of 75 percent.

3. The bill excludes hail, fire and lightening coverage from the FCIC. Private insurers already offer such coverage nationwide at highly competitive rates.

4. Insurance coverage to insure producers against losses that they may incur when they are unable to plant an agricultural crop because of weather conditions.

5. The authorized capital stock of the FCIC is increased from \$200 million to \$450 million.

6. Authority to sell FCIC policies by private agents is created and federal insurance is provided.

7. The bill provides for a 33 1/3 percent federal subsidy of the premiums producers pay into FCIC. According to the Department of Agriculture, this provision would save more than \$550 million compared with the current insurance/disaster payments system, while at the same time provide producers with more comprehensive coverage.

8. FCIC premiums are required to be increased to cover administrative and operating costs.

"I believe this bill is a sound, equitable and realistic attempt at providing a protection plan to all producers, while also effectively complementing plans currently offered by private insurers," Dole said. "It is imperative that crop insurance be dealt with quickly in order to offer the protection needed by farmers with the lapsing of the Disaster Payment Program. Protection must also be provided for producers not now covered by the Low-Yield Disaster Payment Program or the Federal Crop Insurance Program."