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(Original Signature of Member)

119TH CONGRESS
1ST SESSION

H. R. _____

To amend the Federal Crop Insurance Act to require the Federal Crop Insurance Corporation to carry out research on adjusting Federal crop insurance premiums and policies based on loss ratios.

IN THE HOUSE OF REPRESENTATIVES

Mr. SORENSEN introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Federal Crop Insurance Act to require the Federal Crop Insurance Corporation to carry out research on adjusting Federal crop insurance premiums and policies based on loss ratios.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Fair Premiums for Farmers Act''.

SEC. 2. LOSS RATIO STUDY.

Section 522(c) of the Federal Crop Insurance Act (7 U.S.C. 1522(c)) is amended by adding at the end the following:

''(20) LOSS RATIO STUDY.—

''(A) IN GENERAL.—Not later than December 31, 2027, the Corporation shall carry out research, or offer to enter into 1 or more contracts with 1 or more qualified persons to carry out research on—

''(i) with respect to the 10-year period preceding date of the enactment of this paragraph—

''(I) the loss ratios for each commodity insured pursuant to this Act, as determined by the Corporation, disaggregated by State and commodity; and

''(II) the policies and plans of insurance offered by the Corporation that primarily contribute to the consistency of such loss ratios; and

''(ii) the perils or events that have the potential to generate catastrophic losses that differ materially from the expected aggregate losses or the expected distribution

of losses for each commodity insured pursuant to this Act, as determined by the Corporation, disaggregated by State and commodity.

''(B) CONGRESSIONAL REPORT ON STRATEGY FOR PREMIUM ADJUSTMENTS TO REFLECT ACTUARIAL SOUNDNESS.—Not later than December 31, 2027, the Corporation shall submit to Congress a report that includes a strategy that—

''(i) is based on the results of the study required under subparagraph (A);

''(ii) provides for the adjustment of premiums for the policies and plans of insurance offered by the Corporation not later than 3 years after the date the report is submitted; and

''(iii) reflects actuarial soundness, as required by section 506(n), especially with respect to fairness and effective coverage for agricultural producers as described in paragraph (1)(D) of such section.

''(C) PUBLIC COMMENT.—The Corporation shall make the results of the study under subparagraph (A) and a draft of the strategy de-

scribed in subparagraph (B) available for public comment prior to submitting the report required under subparagraph (B).''.