

**AMENDMENT TO THE RULES COMMITTEE PRINT  
OF H.R. 1947**

**OFFERED BY MR. HANNA OF NEW YORK**

**[2013 Farm Bill]**

Insert after section 11007 the following new section  
(and redesignate subsequent sections accordingly):

1 **SEC. 11008. LIMITATION ON PREMIUM SUBSIDY BASED ON**  
2 **AVERAGE ADJUSTED GROSS INCOME.**

3 Section 508(e) of the Federal Crop Insurance Act (7  
4 U.S.C. 1508(e)) is amended by adding at the end the fol-  
5 lowing:

6 “(9) LIMITATION ON PREMIUM SUBSIDY BASED  
7 ON AVERAGE ADJUSTED GROSS INCOME.—

8 “(A) DEFINITION OF AVERAGE ADJUSTED  
9 GROSS INCOME.—In this paragraph, the term  
10 ‘average adjusted gross income’ has the mean-  
11 ing given the term in section 1001D(a) of the  
12 Food Security Act of 1985 (7 U.S.C. 1308-  
13 3a(a)).

14 “(B) LIMITATION.—Notwithstanding any  
15 other provision of this subtitle and beginning  
16 with the 2014 reinsurance year, in the case of  
17 any producer that is a person or legal entity

1           that has an average adjusted gross income in  
2           excess of \$750,000 based on the most recent  
3           data available from the Farm Service Agency as  
4           of the beginning of the reinsurance year, the  
5           total amount of premium subsidy provided with  
6           respect to additional coverage under subsection  
7           (c), section 508B, or section 508C issued on be-  
8           half of the producer for a reinsurance year shall  
9           be 15 percentage points less than the premium  
10          subsidy provided in accordance with this sub-  
11          section that would otherwise be available for the  
12          applicable policy, plan of insurance, and cov-  
13          erage level selected by the producer.

14                 “(C) APPLICATION.—

15                         “(i) STUDY.—Not later than 1 year  
16                         after the date of enactment of this Act, the  
17                         Secretary, in consultation with the Govern-  
18                         ment Accountability Office, shall carry out  
19                         a study to determine the effects of the lim-  
20                         itation described in subparagraph (B) on—

21                                 “(I) the overall operations of the  
22                                 Federal crop insurance program;

23                                 “(II) the number of producers  
24                                 participating in the Federal crop in-  
25                                 surance program;

1                   “(III) the level of coverage pur-  
2                   chased by participating producers;

3                   “(IV) the amount of premiums  
4                   paid by participating producers and  
5                   the Federal Government;

6                   “(V) any potential liability for  
7                   participating producers, approved in-  
8                   surance providers, and the Federal  
9                   Government;

10                  “(VI) different crops or growing  
11                  regions;

12                  “(VII) program rating struc-  
13                  tures;

14                  “(VIII) creation of schemes or  
15                  devices to evade the impact of the lim-  
16                  itation; and

17                  “(IX) administrative and oper-  
18                  ating expenses paid to approved insur-  
19                  ance providers and underwriting gains  
20                  and loss for the Federal government  
21                  and approved insurance providers.”.

