

three consecutive years before they are required to complete a new OGE Form 450, every fourth year. Agencies may, however, elect to permit use of the OGE Optional Form 450-A for only one year (or two years), and to require a new OGE Form 450 every second (or third) year.

(5) In each year divisible by four, beginning in 2000 (or divisible by two or three, beginning in 1998, for agencies that choose one of the more frequent options described in the second sentence of paragraph (d)(4) of this section), all incumbent filers, as described in § 2634.903(a) of this subpart, must file a new OGE Form 450 rather than OGE Optional Form 450-A, regardless of how recently they may have filed an OGE Form 450 (either as a new entrant or as an annual filer who was not eligible to use, or chose not to use, the optional certificate).

(6) When using OGE Optional Form 450-A, filers are not required to attach their previous OGE Form 450, unless their agency determines that it is necessary.

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BILLING CODE 6345-01-U

## DEPARTMENT OF AGRICULTURE

### Federal Crop Insurance Corporation

#### 7 CFR Part 400

RIN 0563-AB26

#### General Administrative Regulations; Collection and Storage of Social Security Account Numbers and Employer Identification Numbers

**AGENCY:** Federal Crop Insurance Corporation, USDA.

**ACTION:** Proposed rule.

**SUMMARY:** The regulations contained in this subpart are issued pursuant to the Federal Crop Insurance Act, as amended (FCIA) (7 U.S.C. 1501 *et seq.*). The intended effect of this revision is to comply with the statutory mandate that requires the collection of Social Security Number (SSN) and Employer Identification Number (EIN) information of participating agents, loss adjusters, and policyholders and to establish the procedures to be used by the Federal Crop Insurance Corporation (FCIC) and insurance providers in the collection, use, and storage of documents containing SSN or EIN information.

**DATES:** Written comments, data, and opinions on this proposed rule will be accepted until close of business March 17, 1997 and will be considered when

the rule is to be made final. The comment period for information collections under the Paperwork Reduction Act of 1995 continues through March 17, 1997.

**ADDRESSES:** Written comments, data, and opinions on this proposed rule should be sent to the Director, Product Development Division, Risk Management Agency (RMA), United States Department of Agriculture (USDA), 9435 Holmes Road, Kansas City, MO 64131, telephone (816) 926-7730. Written comments will be available for public inspection and copying in room 0324, South Building, USDA, 14th and Independence Avenue, SW., Washington, DC., 8:15 a.m.—4:45 p.m., est, Monday through Friday, except holidays.

**FOR FURTHER INFORMATION CONTACT:** For further information, contact Bill Smith, Supervisory Insurance Management Specialist, Research and Development, Product Development Division, RMA, at the Kansas City, MO address listed above, telephone (816) 926-7743.

#### SUPPLEMENTARY INFORMATION:

##### Executive Order 12866

This action has been reviewed under USDA procedures established by Executive Order 12866. This action constitutes a review as to the need, currency, clarity, and effectiveness of these regulations under those procedures.

This rule has been determined to be not significant for the purposes of Executive Order 12866, and, therefore, has been reviewed by the Office of Management and Budget (OMB).

##### Paperwork Reduction Act of 1995

The information collection requirements contained in these regulations have been submitted to OMB for their approval under section 3507(j) of the Paperwork Reduction Act of 1995. This proposed rule will amend the information collection requirements under OMB number 0563-0047, through November 30, 1999. The FCIC will be amending the information collection to adjust the estimated reporting hours and seek a valid approval for 3 years under section 3507(d) of the Act.

Revised reporting estimates and requirements for usage of OMB control number 0563-0047 will be submitted to OMB for approval under the provisions of 44 U.S.C. chapter 35. Public comments are due by March 17, 1997.

The title of this information collection is "Social Security Number (SSN) and Employer Identification Number (EIN) Reporting Form." Collection of the SSN and the EIN is required by section 506

of the FCIA (7 U.S.C. 1506). The FCIA requires the collection of SSN and EIN information of policyholders, participating agents, and loss adjusters and sets forth the procedures to be used by FCIC and insurance providers in the collection, use, and storage of documents containing SSN and EIN information. The primary use of the SSN and EIN under this proposed rule will be to correctly identify the participant, and any other person with an interest in the policyholder's operation of at least 10%, as a policyholder within the systems maintained by FCIC.

The information requested is necessary to for the insurance providers and FCIC to provide insurance and reinsurance, determine eligibility, determine the correct parties to the agreement or contract, determine and collect premiums, and pay indemnities. Failure to furnish this number will result in rejection of or substantial reduction in any claim for indemnity, ineligibility for insurance, and a unilateral determination of the amount of premium due.

**Estimate of Burden:** Public reporting burden for this collection of information is estimated to be 15 minutes per response.

**Respondents:** Policyholders and those with a substantial beneficial interest in the policyholder or any person having any interest in the policyholder and receiving separate benefits under another USDA program as a direct result of such interest.

**Estimated Number of Respondents:** 2,032,800.

**Estimated Number of Responses per Respondent:** 1 per year.

**Estimated Total Burden Hours:** 508,200.

The comment period for information collections under the Paperwork Reduction Act of 1995 continues on the following: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information gathering technology.

Comments regarding paperwork reduction should be submitted to the Desk Officer of Agriculture, Office of Information and Regulatory Affairs,

Office of Management and Budget (OMB), Washington, D.C. 20503.

The Office of Management and Budget (OMB) is required to make a decision concerning the collection of information contained in these proposed regulations between 30 and 60 days after submission to OMB. Therefore, a comment to OMB is best assured of having its full effect if OMB receives it within 30 days of publication. This does not affect the deadline for the public to comment on the proposed regulation.

#### Unfunded Mandates Reform Act of 1995

Title II of the Unfunded Mandates Reform Act of 1995 (UMRA), Public Law 104-4, establishes requirements for Federal agencies to assess the effects of their regulatory actions on State, local, and tribal governments and the private sector. Under section 202 of the UMRA, FCIC generally must prepare a written statement, including a cost-benefit analysis, for proposed and final rules with Federal mandates that may result in expenditures to State, local, or tribal governments, in the aggregate, or to the private sector, of \$100 million or more in any 1 year. When such a statement is needed for a rule, section 205 of the UMRA generally requires FCIC to identify and consider a reasonable number of regulatory alternatives and adopt the least costly, more cost-effective or least burdensome alternative that achieves the objectives of the rule.

This rule contains no Federal mandate (under the regulatory provisions of Title II of the UMRA) for State, local, and tribal governments or the private sector. Thus, this rule is not subject to the requirements of sections 202 and 205 of the UMRA.

#### Executive Order 12612

It has been determined under section 6(a) of Executive Order 12612, Federalism, that this rule does not have sufficient Federalism implications to warrant the preparation of a Federalism Assessment. The policies and procedures contained in this rule will not have a substantial direct effect on States or their political subdivisions, or on the distribution of power and responsibilities among the various levels of Government.

#### Regulatory Flexibility Act

This regulation will not have a significant impact on a substantial number of small entities. The action does not increase the paperwork burden on the insured producer or the reinsured company. The program is strictly voluntary. This regulation requires only that the participant

provide the SSN or EIN. This regulation does not require or impose any requirement on the delivery agent or company that is not already required by the Privacy Act of 1974 (5 U.S.C. 552a). Therefore, this action is determined to be exempt from the provisions of the Regulatory Flexibility Act (5 U.S.C. 605) and no Regulatory Flexibility Analysis was prepared.

#### Federal Assistance Program

This program is listed in the Catalog of Federal Domestic Assistance under No. 10.450.

#### Executive Order 12372

This program is not subject to the provisions of Executive Order 12372 which require intergovernmental consultation with State and local officials. See the Notice related to 7 CFR part 3015, subpart V, published at 48 FR 29115, June 24, 1983.

#### Executive Order 12778

The Office of General Counsel has determined that these regulations meet the applicable standards provided in sections 2(a) and 2(b)(2) of Executive Order 12778. The provisions of this rule will preempt State and local laws to the extent such State and local laws are inconsistent herewith. The administrative appeal provisions published at 7 CFR part 11 must be exhausted before action for judicial review may be brought.

#### Environmental Evaluation

This action is not expected to have any significant impact on the quality of the human environment, health, and safety. Therefore, neither an Environmental Assessment nor an Environmental Impact Statement is needed.

#### Background

The Federal crop insurance program is delivered to producers through local FSA offices and reinsured companies (insurance providers). Section 506 of the FCIA requires producers, agents, and loss adjusters to provide SSNs or EINs as a condition of eligibility to participate in the Federal crop insurance program and for identifying producers, agents, and loss adjusters who are high risk for actuarial purposes. However, current regulations only require SSNs or EINs of applicants, policyholders, and persons with a substantial beneficial interest (SBI) in the policyholder. All relevant sections have been revised to include agents and loss adjusters.

Further, this amendment revises for clarification the definitions of

“applicant,” “authorized person,” “disposition of records,” “FCIC,” “past officers and employees,” “policyholder,” “retrieval of records,” “safeguards,” “storage,” “substantial beneficial interest,” and “system of records,” and adds definitions for “Act,” “FSA,” “insurance provider,” and “person.” The definitions of “access,” “agency sales and service contractor,” “ASCS,” “collection,” “FCI Act,” “government contract employees,” “private insurance company,” and “restricted access” have been deleted.

This statute also requires that any person with an SBI in a policyholder, or who has any interest in the policyholder and will receive separate benefits under another USDA program, to provide their SSN or EIN and clarifies that any person using an EIN for an individual policy must also provide that person's SSN as an SBI on that policy.

The amendment revises § 400.403, Required System of Records, to remove the 30 day implementation requirement, and revises section 400.406 to remove redundancies.

#### List of Subjects in 7 CFR Part 400

Crop insurance; General Administrative Regulations.

#### Proposed Rule

Accordingly, for the reasons set forth in the preamble, the Federal Crop Insurance Corporation hereby proposes to amend 7 CFR part 400, subpart Q as follows:

### **PART 400—GENERAL ADMINISTRATIVE REGULATIONS**

#### **Subpart Q—Collection and Storage of Social Security Account Numbers and Employer Identification Numbers**

1. The authority citation for 7 CFR part 400, subpart Q, is revised to read as follows:

Authority: 7 U.S.C. 1506(l) and 1506(p).

2. Sections 400.401 (a), (b)(1), (2), (3) and (4) are revised to read as follows:

#### **§400.401 Basis, purpose, and applicability.**

(a) The regulations contained in this subpart are issued pursuant to the Act to prescribe procedures for the collection, use, and confidentiality of Social Security Numbers (SSN) and Employer Identification Numbers (EIN) and related records.

(b) \* \* \*

(1) All holders of crop insurance policies issued by FCIC under the Act and sold and serviced by local FSA offices.

(2) All holders of crop insurance policies sold by insurance providers and

all insurance providers, their contractors and subcontractors, including past and present officers and employees of such companies, their contractors and subcontractors.

(3) Any agent, general agent, or company, or any past or present officer, employee, contractor or subcontractor of such agent, general agent, or company under contract to FCIC or an insurance provider for loss adjustment or any other purpose related to the crop insurance programs insured or reinsured by FCIC; and

(4) All past and present officers, employees, elected officials, contractors, and subcontractors of FCIC and FSA.

3. Section 400.402, is amended to remove all paragraph designations; remove the definitions of "access," "agency sales and service contractor," "ASCS," "collection," "FCI Act," "government contract employees," "private insurance company," and "restricted access;" revise the definitions of "applicant," "authorized person," "disposition of records," "FCIC," "past officers and employees," "policyholder," "retrieval of records," "safeguards," "storage," "substantial beneficial interest," and "system of records;" and add the definitions of "Act," "FSA," "insurance provider," and "person" to read as follows:

#### **§400.402 Definitions.**

*Act*—The Federal Crop Insurance Act, as amended (7 U.S.C. 1501 *et seq.*).

*Applicant*—A person who has submitted an application for crop insurance coverage under the Act.

*Authorized person*—Any current or past officer, employee, elected official, general agent, contractor, or loss adjuster of FCIC, the insurance provider, or any other government agency whose duties require access to administer the Act.

*Disposition of records*—The act of removing and disposing of records containing a participant's SSN or EIN by FCIC, or the insurance provider.

*FCIC*—The Federal Crop Insurance Corporation of the United States Department of Agriculture or any successor agency.

*FSA*—The Farm Service Agency of the United States Department of Agriculture or any successor agency.

*Insurance provider*—A private insurance company approved by FCIC, or a local FSA office providing crop insurance coverage to producers participating in any program administered under the Act.

*Past officers and employees*—Any officer or employee of FCIC or the insurance provider who leaves the employ of FCIC or the insurance

provider subsequent to the effective date of this rule.

*Person*—An individual, partnership, association, corporation, estate, trust, or other legal entity, and whenever applicable, a state, political subdivision, or an agency of a state.

*Policyholder*—An applicant whose application for insurance under the crop insurance program has been accepted by FCIC or the insurance provider.

*Retrieval of records*—Retrieval of a person's records by that person's SSN or EIN, or name.

*Safeguards*—Methods of security to be employed by FCIC or the insurance provider to protect a participant's SSN or EIN from unlawful disclosure and access.

\* \* \* \* \*

*Storage*—The secured storing of records kept by FCIC or the insurance provider on computer disks or drives, computer printouts, magnetic tape, index cards, microfiche, microfilm, etc.

*Substantial beneficial interest*—Any person having an interest of at least 10 percent in the applicant or policyholder.

*System of records*—Records established and maintained by FCIC or the insurance provider containing SSN or EIN data, name, address, city and State, applicable policy numbers, and other information related to multiple peril crop insurance policies as required by FCIC, from which information is retrieved by a personal identifier including, but not limited to the SSN, EIN, or name.

4. Section 400.403 is revised to read as follows:

#### **§ 400.403 Required system of records.**

Insurance providers are required to implement a system of records for obtaining, using, and storing documents containing SSN or EIN data before they accept or receive any applications for insurance. This data should include: name; address; city and state; SSN or EIN; and policy numbers which have been used by FCIC or the insurance provider.

5. Section 400.404 is revised to read as follows:

#### **§ 400.404 Policyholder responsibilities.**

(a) The policyholder or applicant for crop insurance must provide a correct SSN or EIN to FCIC or the insurance provider to be eligible for insurance. The SSN or EIN will be used by FCIC and the insurance provider in:

- (1) Determining the correct parties to the agreement or contract;
- (2) Collecting premiums or other amounts due FCIC or the insurance provider;
- (3) Determining the amount of indemnities;

(4) Establishing actuarial data on an individual policyholder basis; and

(5) Determining eligibility for crop insurance program participation or other United States Department of Agriculture benefits.

(b) If the policyholder or applicant for crop insurance does not provide the correct SSN or EIN on the application and other forms where such SSN or EIN is required, FCIC or the reinsured company shall reject the application.

(c) The policyholder or applicant is required to provide to FCIC or the insurance provider, the name and SSN or EIN of any individual or other entity:

(1) holding or acquiring a substantial beneficial interest in such policyholder or applicant; or

(2) having any interest in the policyholder or applicant and receiving separate benefits under another United States Department of Agriculture program as a direct result of such interest.

(d) If a policyholder or applicant is using an EIN for a policy in an individual person's name, the SSN of the policyholder or applicant must also be provided.

#### **§ 400.405 through 400.412 [Redesignated as § 400.406 through 400.413]**

6. Sections 400.405 through 400.412 are redesignated as sections §§ 400.406 through 400.413, respectively. The redesignations are as follows:

Old section	New section
400.405 .....	400.406
400.406 .....	400.407
400.407 .....	400.408
400.408 .....	400.409
400.409 .....	400.410
400.410 .....	400.411
400.411 .....	400.412
400.412 .....	400.413

7. Section 400.405 is added to read as follows:

#### **§ 400.405 Agent and loss adjuster responsibilities**

(a) The agent or loss adjuster shall provide his or her correct SSN to FCIC or the insurance provider, whichever is applicable, to be eligible to participate in the crop insurance program. The SSN will be used by FCIC and the insurance provider in establishing a database for the purposes of:

- (1) Identifying agents and loss adjusters on an individual basis;
- (2) Evaluating agents and loss adjusters to determine level of performance;
- (3) Determining eligibility for program participation; and

(4) Collection of any amount which may be owed by the agent and loss adjuster to the United States.

(b) If the loss adjuster contracting with FCIC to participate in the crop insurance program does not provide the correct SSN on forms or contracts where such SSN is required, the loss adjuster's contract will be cancelled effective on the date of refusal and the loss adjuster will be subject to suspension and debarment in accordance with the suspension and debarment regulations of the United States Department of Agriculture.

(c) If the agent or loss adjuster contracting with an insurance provider, who is also a private insurance company, to participate in the crop insurance program does not provide the correct SSN on forms or contracts where such SSN is required, the premium subsidy payable under the Standard Reinsurance Agreement, or any other reinsurance agreement, will not be paid on those policies lacking the correct SSN.

8. Redesignated § 400.406 is revised to read as follows:

**§ 400.406 Insurance provider responsibilities.**

The insurance provider is required to collect and record the SSN or EIN on each application or on any other form required by FCIC.

9. Redesignated § 400.407 is revised to read as follows:

**400.407 Restricted access.**

The Manager, other officer, or employee of FCIC or an authorized person may have access to the SSNs and EINs obtained pursuant to this subpart, only for the purpose of establishing and maintaining a system of records necessary for the effective administration of the Act.

10. Redesignated § 400.408 is revised to read as follows:

**§ 400.408 Safeguards and storage.**

Records must be maintained in secured storage with proper safeguards sufficient to enforce the restricted access provisions of this subpart.

11. Redesignated § 400.411 is amended by revising the introductory text and paragraph (a) to read as follows:

**§ 400.411 Obtaining personal records.**

Policyholders, agents, and loss adjusters in the crop insurance program will be able to review and correct their records as provided by the Privacy Act. Records may be requested by:

(a) Mailing a signed written request to the headquarters office of FCIC; the

FCIC Regional Service Office, or the insurance provider; or

\* \* \* \* \*

12. Redesignated 400.412 is revised to read as follows:

**§ 400.412 Record retention.**

(a) FCIC or the insurance provider will retain all records of policyholders for a period of not less than 3 years from the date of final action on a policy for the crop year, unless further maintenance of specific records is requested by FCIC. Final actions on insurance policies include conclusion of insurance events, such as the latest of termination of the policy, completion of loss adjustment, or satisfaction of claim.

(b) The statute of limitations for FCIC contract claims may permit litigation to be instituted after the period of record retention. Destruction of records prior to the expiration of the statute of limitations will not provide a defense to any action by FCIC against any private insurance company.

13. Redesignated § 400.413 is revised to read as follow:

**§ 400.413 OMB control numbers.**

The collecting of information requirements in this subpart has been approved by the Office of Management and Budget and assigned OMB control number 0563-0047.

Signed in Washington, DC., January 10, 1997.

Kenneth D. Ackerman,  
*Manager, Federal Crop Insurance Corporation.*

[FR Doc. 97-1016 Filed 1-14-97; 8:45 am]

BILLING CODE 3410-FA-P

**7 CFR Parts 414 and 457**

**Forage Seeding Crop Insurance Regulations and Common Crop Insurance Regulations; Forage Seeding Crop Insurance Provisions**

**AGENCY:** Federal Crop Insurance Corporation, USDA.

**ACTION:** Proposed rule.

**SUMMARY:** The Federal Crop Insurance Corporation (FCIC) proposes specific crop provisions for the insurance of forage seeding. The provisions will be used in conjunction with the Common Crop Insurance Policy Basic Provisions, which contain standard terms and conditions common to most crops. The intended effect of this action is to provide policy changes to better meet the needs of the insured, to include the current forage seeding crop insurance regulations with the Common Crop Insurance Policy for ease of use and

consistency of terms, and to restrict the effect of the current forage seeding crop insurance regulations to the 1997 and prior crop years.

**DATES:** Written comments, data, and opinions on this proposed rule will be accepted until close of business February 14, 1997 and will be considered when the rule is to be made final.

**ADDRESSES:** Interested persons are invited to submit written comments to the Chief, Product Development Branch, Federal Crop Insurance Corporation, United States Department of Agriculture, 9435 Holmes Road, Kansas City, MO 64131. Written comments will be available for public inspection and copying in room 0324, South Building, United States Department of Agriculture, 14th and Independence Avenue, SW., Washington, DC, 8:15 a.m. to 4:45 p.m., est, Monday through Friday, except holidays.

**FOR FURTHER INFORMATION CONTACT:** Richard Brayton, Program Analyst, Research and Development Division, Product Development Branch, Federal Crop Insurance Corporation, at the Kansas City, MO, address listed above, telephone (816) 926-7730.

**SUPPLEMENTARY INFORMATION:**

Executive Order No. 12866

The Office of Management and Budget (OMB) has determined this rule to be exempt for the purposes of Executive Order No. 12866, and, therefore, this rule has not been reviewed by OMB.

Paperwork Reduction Act of 1995

The amendments set forth in this information collections that require clearance by OMB is "Catastrophic Risk Protection Plan and Related Requirements including, Common Crop Insurance Regulations; Forage Seeding Crop Insurance Provisions." The information to be collected includes: A crop insurance application and acreage report. Information collected from the application and acreage report is electronically submitted to FCIC by the reinsured companies. Potential respondents to this information collection are producers of forage seeding that are eligible for Federal crop insurance.

The information requested is necessary for the reinsured companies and FCIC to provide insurance and reinsurance, determine eligibility, determine the correct parties to the agreement or contract, determine and collect premiums or other monetary amounts, and pay benefits.

All information is reported annually. The reporting burden for this collection