

**MINUTES
OF THE
MEETING OF THE BOARD OF DIRECTORS
OF THE
FEDERAL CROP INSURANCE CORPORATION**

A meeting of the Board of Directors (Board) of the Federal Crop Insurance Corporation (FCIC) was held on August 2, 2001, in room 104-A, Jamie L. Whitten Federal Office Building, U.S. Department of Agriculture, Washington, D.C. The public was invited to attend.

Meeting
August 2, 2001

The meeting was called to order at 9:42 a.m., in Executive Session.

Call to Order
Executive Session

Present were Keith Collins, Chief Economist, USDA; Michael Keating, and Bobby Webster; Phyllis W. Honor, Acting Manager, FCIC; and Diana Moslak, Secretary. A statutory quorum was not present.

Present

Also present were Kim Arrigo, Office of the General Counsel (OGC); Joe Glauber, Office of the Chief Economist; Marian Jenkins, Dave Clauser, Don Stonecypher, Vondie O'Conner, Mary Rekas, Sharon Hestvik, Ray Boileau, Heyward Baker, and Mary Slay of the Risk Management Agency (RMA); Michael Duff of Agriservices, LLC; Robert Dantic and Kevin Scally of Crop Hail Management Insurance Company; and David Bickerstaff of Bickerstaff, Whatley, Ryan and Burkhalter.

Joe Glauber left the meeting at 10:53 a.m.

Joe Glauber

Kim Arrigo left the meeting at 10:55 a.m., and returned at 11:00 a.m.

Kim Arrigo

At 11:05 a.m., Michael Duff, Robert Dantic, Kevin Scally, and David Bickerstaff were asked to leave the meeting and John Bednarik of American Farm Bureau Insurance Services, Inc., was invited into Executive Session.

Mary Rekas left the meeting at 11:45 a.m.

Mary Rekas

The Executive Session adjourned at 11:50 a.m., to reconvene at

1:30 p.m., in Open Session.

The meeting was called to order in Open Session at 1:40 p.m.

Present were J.B. Penn, Under Secretary, Farm and Foreign Agricultural Services; Keith Collins, Chief Economist, USDA; Michael Keating, and Bobby Webster, constituting a statutory quorum; Phyllis W. Honor, Acting Manager, FCIC; and Diana Moslak, Secretary.

Also present were Butch May and Matt O'Mara, Farm and Foreign Agricultural Services; Kim Arrigo, OGC; Marian Jenkins, Dave Clauser, Don Stonecypher, Vondie O'Conner, Mary Rekas, Sharon Hestvik, Ray Boileau, Heyward Baker, Mary Slay and Michelle Bouchard of RMA; Michael Duff of Agriservices, LLC; Robert Dantic and Kevin Scally of Crop Hail Management Insurance Company; David Bickerstaff of Bickerstaff, Whatley, Ryan and Burkhalter; John Bednarik of American Farm Bureau Insurance Services, Inc., Stephen Frerichs of American Association of Crop Insurers; Linda Vickers of Wells Fargo and Rural Community Insurance Services; Robert Parkerson, Tom Zacharias, and Dallas Smith of National Crop Insurance Services; and Sarah Tyree of AgriLogic, Inc.

A motion was made and seconded to dispense with the reading of the Minutes and to approve the Minutes of the meeting of the Board held on July 19, 2001.

The motion carried. (Exhibit No. 2055.)

Thomas Hunt Shipman, Acting Deputy Under Secretary arrived at the meeting at 1:43 p.m.

The program modifications to the Revenue Assurance submission, as specified in Docket No. CI-RA-01-2, were orally amended in Executive Session by the submitting company and a motion was made and seconded to adopt the following resolution:

RESOLVED, That changes numbered 1, 4, 6, 8, 9, 10, and 11 are approved; change number 2 is approved as amended to state that optional units or basic units will be determined based on the manner in which production is reported by the production reporting date; change number 3 is approved but limited to where multiple peril crop insurance (MPCI) at the 80-85 percent coverage level is available, with no further

Adjourn - Executive Session

Call to Order
Open Session

Present

Dispense with Reading
and Minutes Accepted

Thomas Hunt Shipman

Revenue Assurance -
2002/2003 Crop Year
Program Modifications

Board action needed if 80-85 percent coverage for MPCCI is expanded into other areas and crops; change number 5 is approved as amended to specify 5 percentage point increments; change number 7 is withdrawn; change number 12 regarding catastrophic risk protection is withdrawn and the clarification regarding written agreements is approved; change number 13 is withdrawn; change number 14 is amended to limit preliminary payments to only when the fall harvest price option is in effect; and change number 15 is approved as amended to conform to the amendment to change number 14 and to incorporate the preliminary payment methodology into the policy, as specified in Docket No. CI-RA-01-2, Exhibit No. 2056, effective for the 2002 crop year in areas where the contract change date has not passed and the 2003 crop year where it has AND BE IT FURTHER RESOLVED, That the Board delegates to the Manager the authority to make such technical policy changes as are necessary to make the policies legally sufficient and to resolve those problems with policy terms identified by the reviewers.

The motion carried. (Board Memorandum No. 620; Exhibit No. 2056.)

A motion was made and seconded to adopt the following resolution:

RESOLVED, That: 1) the Manager of the Corporation be authorized to enter into and execute contracts with the persons or entities from the list of reviewers provided the Board, or the alternates in case the proposed persons are not available, to review the "Whole Farm Cost of Production Plan of Insurance" prior to Board action; and (2) the task order statement of work be used to execute the contracts.

The motion carried. (Board Memorandum No. 621; Exhibit No. 2057.)

There being no further business to come before the Board, the

Whole Farm Cost of
Production Plan of
Insurance - Approval
of Reviewers and
Alternates; Task Order
Statement of Work;
and Execution of the
Contract

meeting adjourned at 1:55 p.m., to meet again on August 22, 2001, in Washington, D.C.

Adjourn

/s/ Diana Moslak

—
August 2, 2001

Diana Moslak, Secretary
Federal Crop Insurance Corporation