

**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 May 7, 2003, in room 104-A, Jamie L. Whitten Federal Office Building, U.S. Department of Agriculture, Washington, D.C. The public was invited to attend the Open Session portions of the meeting.

Meeting  
May 7, 2003

The meeting was called to order at 12:40 p.m., in Open Session.

Call to Order  
Open Session

Present were Keith Collins, Chief Economist, USDA and Chairperson; Roger Swartz, Susan Fitzsimmons, John Askew, Frank Jones, Tim Kelleher, and Chris Watt (via conference call), constituting a statutory quorum; Ross Davidson, Manager, FCIC; David Hatch, Deputy Manager, FCIC; and Byron Anderson, Secretary.

Present

Also present were J.B. Penn and Floyd Gaibler, Farm and Foreign Agricultural Services (FFAS); David Grahn, Kim Arrigo, and Don Brittenham, Office of the General Counsel (OGC); Joe Glauber; Office of Chief Economist (OCE); Jim Staiert of the Office of Budget and Program Analysis (OBPA); Anne Jenkins, Ann Jorgensen, Alan Ott, Tim Witt, Tim Hoffmann, Nelson Maurice, Raegan Weber, Jim Callan, Eric Edgington, Diana Moslak, Tom Worth, Vondie O'Conner, Craig Witt, Lee Ziegler, Bill Zillman, Anjie Minnick, Shannon Persetic and Michael Hand of the Risk Management Agency (RMA); and Sarah Tyree, AgriLogic; Tom Zacharias, Dallas R. Smith, and F. Schnapp representing National Crop Insurance Services (NCIS); Jane Shey representing Crop Insurance Research Bureau (CIRB); and Lynn Daft representing Promar International.

The Open Session adjourned at 12:40 p.m., to reconvene in Executive Session at 12:41 p.m.

Adjourn  
Open Session  
Reconvene  
Executive Session

Present were Keith Collins, Chief Economist, USDA and Chairperson; Roger Swartz, Susan Fitzsimmons, John Askew, Frank Jones, Tim Kelleher, and Chris Watt (via conference call), constituting a statutory quorum; Ross Davidson, Manager, FCIC; and Byron Anderson, Secretary.

Present

Also present were J.B. Penn and Floyd Gaibler, FFAS; David Grahn, Kim Arrigo, and Don Brittenham, OGC; Joe Glauber, OCE; Jim Staiert, OBPA; Anne Jenkins, Ann Jorgensen, Alan Ott, Tim Witt, Tim Hoffmann, Nelson Maurice, Raegan Weber, Jim Callan, Eric Edgington, Diana Moslak, Tom Worth, Vondie O’Conner, Craig Witt, Lee Ziegler, Bill Zillman, Anjie Minnick, Shannon Persetic and Michael Hand, RMA.

The Executive Session adjourned at 1:25 p.m., to reconvene in Open Session.

Adjourn  
Executive Session

The meeting was called to order in Open Session at 1:45 p.m.

Call to Order

Present were Keith Collins, Chief Economist, USDA and Chairperson; Roger Swartz, Susan Fitzsimmons, John Askew, Frank Jones, Tim Kelleher, and Chris Watt (via conference call), constituting a statutory quorum; Ross Davidson, Manager, FCIC; David Hatch, Deputy Manager, FCIC; and Byron Anderson, Secretary.

Present

Also present were J.B. Penn and Floyd Gaibler, FFAS; David Grahn, Kim Arrigo, and Don Brittenham, OGC; Joe Glauber, OCE; Jim Staiert, OBPA; Anne Jenkins, Ann Jorgensen, Alan Ott, Tim Witt, Tim Hoffmann, Nelson Maurice, Raegan Weber, Jim Callan, Eric Edgington, Diana Moslak, Tom Worth, Vondie O’Conner, Craig Witt, Lee Ziegler, Bill Zillman, Anjie Minnick, Shannon Persetic and Michael Hand, RMA; Sarah Tyree, AgriLogic; Tom Zacharias, Dallas R. Smith, and F. Schnapp, NCIS; Jane Shey, CIRB; Lynn Daft, Promar International; Barbara Leach, Government Relations Policy Advisor; and Ken Ackerman, Olsson, Frank and Weeda, P.C.

David Grahn read a recitation to all members of the Board.

Recitation

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 February 7, 2003.

Dispense with  
Reading –  
Minutes Accepted

The motion carried. (Exhibit No. 2167)

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

WHEREAS, The Federal Crop Insurance Act (Act) requires the Board to enter into contracts with persons experienced as actuaries and in underwriting for reviews of any policy or plan of insurance, or any related material or modification of a policy or plan of insurance proposed to be offered under the Act, NOW THEREFORE BE IT RESOLVED: That: 1)

Approve Reviewers  
and Alternates,  
Approve the Task  
Order  
Statement of Work

the Manager of the Corporation be authorized to take such action as necessary to enter into and execute contracts with the persons or entities on the attached list, or the alternates in case the proposed persons are not available, to review the revised Livestock Gross Margin (LGM) Plan of Insurance prior to Board action; and 2) the attached task order statement of work be used to execute the contracts.

for Review of the Revised Livestock Gross Margin (LGM) Plan of Insurance, and Approve Execution of the Contract

The motion carried. (Board Memorandum No. 701; Exhibit No.2162.)

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

WHEREAS, The Federal Crop Insurance Act (Act) requires the Board to enter into contracts with persons experienced as actuaries and in underwriting for reviews of any policy or plan of insurance, or any related material or modification of a policy or plan of insurance proposed to be offered under the Act, NOW THEREFORE BE IT RESOLVED: That: 1) the Manager of the Corporation be authorized to take such action as necessary to enter into and execute contracts with the persons or entities on the attached list, or the alternates in case the proposed persons are not available, to review the revised AGR - Lite Plan of Insurance prior to Board action; and 2) the attached task order statement of work be used to execute the contracts.

Approve Reviewers and Alternates, Approve the Task Order Statement of Work for Review of the Revised Adjusted Gross Revenue (AGR)- Lite Plan of Insurance, and Approve Execution of the Contract

The motion carried. (Board Memorandum No. 702; Exhibit No. 2163.)

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

RESOLVED, That Docket No. CI-CRC-NY Wheat-03-1, Exhibit No. 2164, authorizing expansion of the CRC wheat program to all counties with an APH plan of insurance in the state of New York, using the proxy pricing method of 85 percent of the Chicago Board of Trade (CBOT) wheat futures contract, under such terms and conditions as determined appropriate by the Board beginning with the 2004 crop year as authorized under section 508(h) of the Federal Crop Insurance Act, is hereby approved 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 policy legally sufficient.

Expansion of the Crop Revenue Coverage Plan of Insurance for New York Wheat Beginning with the 2004 Crop Year

The motion carried. (Board Memorandum No. 703; Exhibit No. 2164.)

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

RESOLVED, That, Docket No. CI-LRP-Dairy-03-1, Exhibit No. 2165, authorizing the Applied Analytics Group's (AAG) request to the Board to table the LRP Dairy, for a period not to exceed 180 days with presentation to the Board at its next meeting following this time period, in order for AAG to review, analyze, and address the issues raised by reviewers pertaining to the impact of the Farm Security and Rural Investment Act of 2002 on the Livestock Risk Protection-Dairy plan of insurance proposal, is hereby approved.

Livestock Risk Protection-Dairy Plan of Insurance-Time Extension-Submitted by Applied Analytic Group (AAG)

The motion carried. (Board Memorandum No. 704; Exhibit No. 2165.)

The following two motions were made and seconded to adopt the following resolutions:

RESOLVED, that the Applied Analytics Group's (AAG) request to the Board to table the LRP Swine, until the next Board meeting, is hereby approved, and

Livestock Risk Protection – Swine Plan of Insurance

RESOLVED, that the Applied Analytics Group's (AAG) request to the Board to table the LRP Swine, until the next Board meeting, is hereby disapproved.

The motions lost.

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

Disapproval – Livestock Risk Protection-Swine Plan of Insurance-Time Extension

RESOLVED, that the submitting entity is notified of the Board's final disapproval of LRP-Swine on the basis that the Board has been unable to make a determination that the submission complies with all applicable provisions of the Federal Crop Insurance Act, the interests of producers are adequately protected, the premium rates are actuarially appropriate, and that program integrity will be protected for the reasons stated in its notice of intent to disapprove.

The motion carried. (Board Memorandum No. 705; Exhibit No. 2166.)

