

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 February 21, 2007, in Room 108-A of the Jamie L. Whitten Federal Office Building, Jefferson Drive, Washington, D.C. The public was invited to attend the open session portion of the meeting.

Meeting
February 21, 2007

The meeting was called to order at 2:00 p.m. in open session.

Call to Order
Open Session

The Board then immediately went into executive session to discuss confidential matters with Risk Management Agency (RMA) staff and submitters.

Executive Session

The open session of the Board reconvened at 4:20 p.m.

Reconvene Open
Session

David Grahn read the recitation to all members of the Board to advise the Board of its responsibilities in representing the interests of the FCIC and USDA. No issues were identified that would require recusal of any members of the Board for this meeting.

Recitation

The Chairman requested Board members to introduce themselves. Present or participating by phone were Keith Collins, Chief Economist USDA and Chairperson; Dr. Mark Keenum Under Secretary Farm and Foreign Agricultural Services (FFAS) (phone); Bill Classen (phone); Tim Kelleher (phone); Frank Jones (phone); Mike Pickens (phone) and Luis Monterde (phone), constituting a statutory quorum; Eldon Gould, Manager, FCIC (phone); and Brent Doane, Secretary, FCIC and James Callan, Deputy Manager, FCIC (phone).

Present

Also participating were David Grahn and Kim Arrigo, Office of the General Counsel (OGC); William Murphy, Alan Ott, Tim Witt (phone), Kent Lanclos (phone), Tom Worth (phone), Cindy Spoor, Velerie Eddelman (phone) and Bridger Roy of RMA; Kent Wilson, Crop Insurance Research Bureau; Jason Schickedanz, AgForce (phone); Ken Ackerman, Olsen, Frank and Weeda; Don Armstrong and Robert Cerda, Crop Insurance Services.

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 January 25, 2007.

Dispense with
Reading –
Minutes

The motion carried. (Exhibit No. 2883)

Approved

The Chair offered the following resolution, which was seconded, for adoption:

GRP Oysters

RESOLVED, that pursuant to the information contained in Docket No. CI-GRP-Oysters 07-01, Exhibit No. 2884, as well as other related materials that were presented to the Board for consideration and discussion on this matter, the Board hereby provides its notice of the intent to disapprove the GRP-Oysters plan of insurance on the basis that the Board has been unable to make a determination that: (1) The GRP-Oysters plan of insurance complies with all applicable provisions of the Federal Crop Insurance Act; (2) The interests of producers are adequately protected; (3) Premium rates are actuarially appropriate; and (4) That crop insurance program integrity will be protected, for the reasons stated in the Executive session, the expert reviews, and RMA staff review.

Prior to voting by the Board, the Chair expressed appreciation to the Louisiana and Mississippi oyster industries for the GRP Oyster submission and recognized the oyster industry's need for an insurance product as well as their frustration in not having this product for the 2007 crop year. The Chair added that this is a product for which it appears that it can still be moved forward, in light of the willingness of the submitters to respond to the concerns raised by the expert reviewers and RMA.

Mr. Kelleher requested that should the resolution be passed, that the letter containing the reasons for the notice of intent to disapprove and the issues that need to be resolved be sent to the Board for review prior to being sent to the submitters. The Chair agreed to such action.

By roll call vote, the Board voted to approve the resolution: 5 yea, 0 nay, 1 absent (Mr. Jones was temporarily disconnected from the conference call). (Exhibit 2884)

Approved –
Notice of Intent to
Disapprove

Next the Board took up the matter of the 508(h) submission. Due to the confidentiality of business information, the Chair would not mention the names of the product or submitters.

508(h)
Submission

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 Federal Crop Insurance 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 plan of insurance submitted under section 508(h) of the Federal Crop Insurance Act and described in Exhibit No. 2885 prior to Board action; and 2) the attached task order statement of work be used to execute the contracts.

By roll call vote, the Board voted to approve the resolution: 6 yea, 0 nay, 0 absent. (Exhibit 2885)

Approved

Chairman Collins then thanked the Board members and staff for their participation and efforts.

There being no further business to come before the Board the meeting adjourned to meet again March 14, 2007.

Adjourn
Next Meeting

February 21, 2007

Brent Doane, Secretary
Federal Crop Insurance Corporation