

Board Memorandum No. 694

Docket No. CI-PDP-02-1

PDP - Submitted by Converium Insurance North America, Inc., and Crop1 Insurance Direct, Inc., Beginning with the 2003 Crop Year

FINAL RESOLUTION

RESOLVED, That Docket No. CI-PDP-02-1, Exhibit No. 2152, authorizing implementation of the PDP business plan under section 523(b) of the Federal Crop Insurance Act (Act) is withdrawn and resubmitted under section 508(e)(3) of the Act AND BE IT FURTHER RESOLVED, That the Board recommends that the PDP business plan be approved by the Corporation subject to the following rules, limitations and procedures:

- (1) All questions that have been posed to the expert reviewers are adequately addressed, as determined by the Corporation;
- (2) The submitter can demonstrate that it can reduce its costs by a specific amount through an efficiency in the delivery of the Federal crop insurance program;
- (3) The efficiency employed by the submitter to reduce its costs does not result in a reduction of service to policyholders;
- (4) The submitter can demonstrate that it has the financial capacity to deliver the PDP business plan, as determined by the Corporation, in the areas in which it has been proposed, or approved by the Corporation;
- (5) That the PDP business plan be offered on a limited basis, to be determined by the Corporation, and expanded over time as the capacity and ability of the submitter to deliver the PDP business plan is established, as approved by the Corporation;
- (6) That the submitter and the Corporation shall monitor the performance of the PDP business plan and that the submitter provide weekly reports to the Corporation regarding the performance of the PDP business plan and report any problems discovered;
- (7) That the Corporation report to the Board at each Board meeting the performance of the PDP business plan during the period since the previous Board meeting;
- (8) That the Corporation can take such action as necessary, including the withdrawal of approval, if the Corporation determines that any condition herein has not been fully and satisfactorily met, and continues to be met during the duration of the PDP business plan, or that may be needed to protect the integrity of the program, as determined by the Corporation; and

