

**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 12, 2002, 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 12, 2002

The meeting was called to order at 1:05 a.m., in Open Session.

Call to Order  
Open Session

Present were J. B. Penn, Under Secretary, Farm and Foreign Agricultural Services (FFAS); Keith Collins, Chief Economist, USDA and Chairperson; Roger Swartz, Susan Fitzsimmons, John Askew, Frank Jones, Tim Kelleher, and Chris Watt, constituting a statutory quorum; Ross Davidson, Manager, FCIC; and Diana Moslak, Secretary.

Present

Also present were Hunt Shipman, FFAS; Don Brittenham, Office of the General Counsel (OGC); Joe Glauber, Office of the Chief Economist (OCE); Jim Staiert of the Office of Budget and Program Analysis (OBPA); Darrell Swanson, Office of the Inspector General (OIG); Byron Anderson, Tim Witt, Tim Hoffmann, Nelson Maurice, Vondie O'Conner, Dave Clauser, Bill Bing, Leiann Nelson, Heyward Baker, Mary Slay, Don Stonecypher, Anjie Minnick, and Alex Christensen of the Risk Management Agency (RMA); Russell Redding, Pennsylvania Department of Agriculture (PADA); Eugene Gantz of Ag Risk Strategies, Inc. (AgRisk); David Bossman and Peter Griffin of American Agri-Business Insurance Company (AABIC); Steve Griffin, Crop 1 Insurance Direct, Inc. (Crop 1); Barbara Leach, Government Relations Policy Advisor to AABIC and Crop 1; Brian Brandt of Agricultural Conservation Innovation Center (ACIC); Tom Green of AgFlex; and Ken Ackerman of Olsson, Frank and Weeda, P.C.

The Open Session adjourned at 1:09 p.m., to reconvene in Executive Session at 1:10 p.m.

Adjourn  
Open Session  
Reconvene  
Executive Session

Present were J. B. Penn, Under Secretary, FFAS; Keith Collins, Chief Economist, USDA and Chairperson; Roger Swartz, Susan Fitzsimmons, John Askew, Frank Jones, Tim Kelleher, and Chris Watt, constituting a statutory quorum; Ross Davidson, Manager, FCIC; and Diana Moslak, Secretary.

Present

Also present were Hunt Shipman, FFAS; Don Brittenham, OGC; Joe Glauber, OCE; Jim Staiert, OBPA; Darrell Swanson, OIG; Byron Anderson, Tim Witt, Tim Hoffmann, Nelson Maurice, Vondie O'Conner, Dave Clauser, Bill Bing, Leiann Nelson, Heyward Baker, Mary Slay, Don Stonecypher, Anjie Minnick, and Alex Christensen of RMA; Russell Redding, PADA; and Eugene Gantz, AgRisk.

Butch May, FFAS, arrived in the Executive Session at 1:11 p.m.

Butch May

Alan Ott, RMA, arrived in the Executive Session at 1:14 p.m.

Alan Ott

Larry Piatz, RMA, arrived in the Executive Session at 1:16 p.m.

Larry Piatz

Hunt Shipman, FFAS, left the Executive Session at 1:20 p.m., and returned to the Executive Session at 1:45 p.m.

Hunt Shipman

Alan Ott, RMA, left the Executive Session at 1:30 p.m.

Alan Ott

Byron Anderson, RMA, left the Executive Session at 1:48 p.m.

Byron Anderson

At 1:55 p.m., Russell Redding, PADA, and Eugene Gantz, AgRisk, were asked to leave the Executive Session and David Bossman and Peter Griffin, AABIC; Barbara Leach, Government Relations Policy Advisor to AABIC; and Ken Ackerman of Olsson, Frank and Weeda, P.C., were invited into the Executive Session.

Byron Anderson, RMA, arrived in the Executive Session at 2:00 p.m.

Byron Anderson

Alan Ott, RMA, arrived in the Executive Session at 2:07 p.m.

Alan Ott

Beth Bechdol, FFAS, arrived in the Executive Session at 2:15 p.m.

Beth Bechdol

At 2:20 p.m., David Bossman and Peter Griffin, AABIC; Barbara Leach, Government Relations Policy Advisor to AABIC; and Ken Ackerman of Olsson, Frank and Weeda, P.C., were asked to leave the Executive Session and at 2:25 p.m., Steve Griffin, Crop 1; Barbara Leach, Government Relations Policy Advisor to Crop 1; and Ken Ackerman of Olsson, Frank and Weeda, P.C., were invited into the Executive Session.

Beth Bechdol, FFAS, left the Executive Session at 2:50 p.m.	Beth Bechdol
Byron Anderson, RMA, left the Executive Session at 3:16 p.m.	Byron Anderson
The Executive Session recessed at 3:25 p.m., and reconvened in Executive Session at 3:30 p.m.	Recess/Reconvene Executive Session
Present were J. B. Penn, Under Secretary, FFAS; Keith Collins, Chief Economist, USDA and Chairperson; Roger Swartz, Susan Fitzsimmons, John Askew, Frank Jones, Tim Kelleher, and Chris Watt, constituting a statutory quorum; Ross Davidson, Manager, FCIC; and Diana Moslak, Secretary.	Present
Also present were Hunt Shipman and Butch May, FFAS; Don Brittenham, OGC; Joe Glauber, OCE; Jim Staiert, OBPA; Darrell Swanson, OIG; Byron Anderson, Tim Witt, Tim Hoffmann, Nelson Maurice, Vondie O'Conner, Dave Clauser, Bill Bing, Leiann Nelson, Heyward Baker, Mary Slay, Don Stonecypher, Anjie Minnick, and Alex Christensen of RMA; Brian Brandt, ACIC; Tom Green, AgFlex; and Ken Ackerman of Olsson, Frank and Weeda, P.C.	
Butch May left the Executive Session at 4:00 p.m.	Butch May
J. B. Penn and Hunt Shipman left the Executive Session at 4:25 p.m.	J. B. Penn Hunt Shipman
At 4:26 p.m., Brian Brandt, ACIC; Tom Green, AgFlex; and Ken Ackerman of Olsson, Frank and Weeda, P.C., were asked to leave the Executive Session and John Bednarik, American Farm Bureau Insurance Services, Inc., and Bruce Babcock, Iowa State University, were invited into the Executive Session via tele-conference.	
Board member Roger Swartz recused himself and left the Executive Session.	Roger Swartz - Recusal
The Executive Session adjourned at 4:45 p.m., to reconvene in Open Session.	Adjourn Executive Session
The meeting was called to order in Open Session at 5:20 p.m.	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, constituting a statutory quorum; Ross Davidson, Manager, FCIC; and Diana Moslak, Secretary.	Present

Also present were Don Brittenham, OGC; Joe Glauber, OCE; Jim Staiert, OBPA; Darrell Swanson, OIG; Byron Anderson, Tim Witt, Tim Hoffmann, Nelson Maurice, Vondie O'Conner, Dave Clauser, Bill Bing, Leiann Nelson, and Mary Slay of RMA; Russell Redding, PADA; Eugene Gantz, AgRisk; David Bossman and Peter Griffin, AABIC; Steve Griffin, Crop 1; Barbara Leach, Government Relations Policy Advisor to AABIC and Crop 1; Brian Brandt, ACIC; Tom Green, AgFlex; Ken Ackerman of Olsson, Frank and Weeda, P.C.; Sarah Tyree of AgriLogic, Inc., Elizabeth Haws of American Association of Crop Insurers; and Jane Shey of the Crop Insurance Research Bureau.

Don Brittenham 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 July 23, 2002.

Dispense with Reading - Minutes Accepted

The motion carried. (Exhibit No. 2111.)

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

Conditional Approval for Expert Review - AGR-Lite - Approval of Reviewers and Alternates; Task Order Statement of Work; and Execution of the Contract

WHEREAS, The Federal Crop Insurance 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) Board Memorandum No. 662, authorizing expert review of the Adjusted Gross Revenue (AGR) - Lite Plan of Insurance, is hereby approved for expert review subject to resolution between the submitter and the Administrator of the Risk Management Agency of the issues raised in Executive Session by the Board; 2) 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 proposed AGR - Lite Plan of Insurance prior to Board action; and 3) the attached task order statement of work be used to execute the contracts.

The motion carried. (Board Memorandum No. 662; Exhibit No. 2112.)

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

WHEREAS, The Federal Crop Insurance 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 at the request of the submitter, the Board agrees to: (1) send out for expert review the Livestock Risk Protection Plans (LRP) of Insurance for Feeder Cattle and Dairy tabled at the May 7, 2002, Board meeting and the new private product before the Board on August 12, 2002; (2) allow until November 13, 2002, for the expert review of these three private products; (3) authorize the Manager of the Corporation 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 LRP Plans of Insurance for Feeder Cattle and Dairy and the proposed new private product submission submitted by American Agri-Business Insurance Company prior to Board action; and (4) the use of the attached task order statement of work to execute the contracts for these three private product submissions. The submitter and the Board agree that the Board will have 45 days to either approve or give notice to disapprove the 508(h) private product submissions from November 13, 2002.

The motion carried. (Board Memorandum No. 663; Exhibit No. 2113.)

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

WHEREAS, The Federal Crop Insurance 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) Board Memorandum No. 664, authorizing expert review of the Production Dollar Plan of Insurance, is hereby approved for expert review subject to the submitter first responding within 30 days in writing to questions raised by the Risk Management Agency for the expert reviewers; 2) the Manager of the Corporation be authorized to take such action as necessary to enter into and execute contracts with

Approved for  
Expert Review -  
LRP for Feeder  
Cattle and Dairy  
Tabled at the May  
7, 2002, Board  
Meeting and a New  
508(h) Private  
Product Submission  
- Approval of  
Reviewers and  
Alternates; Task  
Order Statement of  
Work; and  
Execution of the  
Contract

Conditional  
Approval for Expert  
Review -  
Production Dollar  
Plan - Approval of  
Reviewers and  
Alternates; Task  
Order Statement of  
Work; and  
Execution of the  
Contract

the persons or entities on the attached list, or the alternates in case the proposed persons are not available, to review the proposed Production Dollar Plan of Insurance prior to Board action; and 3) the attached task order statement of work be used to execute the contracts.

The motion carried. (Board Memorandum No. 664; Exhibit No. 2114.)

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

WHEREAS, The Federal Crop Insurance 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 proposed revisions to the Nutrient Best Management Practice Endorsement prior to Board action; and 2) the attached task order statement of work be used to execute the contracts.

The motion carried. (Board Memorandum No. 665; Exhibit No. 2115.)

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

WHEREAS, The Federal Crop Insurance 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 proposed expansion of the Revenue Assurance Plan of Insurance to cover malting barley prior to Board action; and 2) the attached task order statement of work be used to execute the contracts.

The motion carried. (Board Memorandum No. 666; Exhibit No. 2116.) Board member Roger Swartz recused himself from voting.

Approved for Expert Review - Revisions to the Nutrient Best Management Practice Endorsement - Approval of Reviewers and Alternates; Task Order Statement of Work; and Execution of the Contract

Approved for Expert Review - Revenue Assurance; Expansion to Cover Malting Barley - Approval of Reviewers and Alternates; Task Order Statement of Work; and Execution of the Contract

Roger Swartz - Recusal

There being no further business to come before the Board, the meeting adjourned at 5:40 p.m., to meet again on September 19, 2002, in Kansas City, Missouri.

Adjourn

August 12, 2002

/s/ Diana Moslak  
Diana Moslak, Secretary  
Federal Crop Insurance Corporation