

**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 27, 2004, in room 108-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
February 27, 2004

The meeting was called to order at 1:10 p.m., in Open Session.

Call to Order
Open Session

Present were Keith Collins, Chief Economist, USDA and Chairperson; J. B. Penn, Under Secretary, Roger Swartz, Susan Fitzsimmons, John Askew, Frank Jones, Tim Kelleher, and Chris Watt, constituting a statutory quorum; Ross Davidson, Manager, FCIC; David C. Hatch, Deputy Manager FCIC; Byron Anderson, Secretary; and Vondie O'Conner, Deputy Secretary.

Present

Also present were Floyd Gaibler, and Butch May, Farm and Foreign Agricultural Services (FFAS); David Grahn and Kim Arrigo, Office of the General Counsel (OGC); Joe Glauber (USDA Chief Economists Office), Darrell Swanson, Office of the Inspector General (OIG), Alan Ott, Tim Witt, Tim Hoffman, Jim Callan, Brent Doane, Raegan Weber, and Bill Zillman of the Risk Management Agency (RMA). Attendees from the public were Linda Vickers of Vickers and Associates, Stephan Frehricks of Rain and Hail, Elizabeth Haws of American Association of Crop Insurers, Barbara Leach of Leach Consulting, Jane Shay of Crop Insurance Research Bureau, Sara Tyree of Agri-Logic, and Mr. Collins.

Ross Davidson, FCIC Manager, presented his Manager's Report to the Board that covered an update on a variety of topics, including the status of negotiations on the Standard Reinsurance Agreement (SRA), RMA approval of Occidental Fire and Casualty Company and Crop 1 Insurance Direct to offer a Premium Discount Plan (PDP), and status reports on the resolution of the remaining claims of American Growers Insurance Company, and the implications for RMA on the congressional budget process.

Manager's Report

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

Recitation

The FCIC Board Minutes from the December 17, 2003, meeting were read, a motion to approve the minutes was made and seconded, and the Board unanimously approved the minutes.

Dispense with
Reading – Minutes
Accepted

Chairman Collins announced that the terms of three Board members would expire on March 8, 2003 and then recognized Board members Christopher Watt, Timothy Kelleher and Roger Swartz for their outstanding service to the FCIC Board of Directors.

A motion was made and seconded to adopt the following resolution contained in Docket Number CI-OB-04-01 regarding appreciation for outgoing FCIC Board members.

Resolution of
Appreciation for
Outgoing Board
Members
Approved

RESOLVED: That the Federal Crop Insurance Board of Directors appreciates the exemplary service that Timothy Kelleher, Roger Swartz and Christopher Watt has provided to the Federal Crop Insurance Corporation, the United States Department of Agriculture, and American agriculture.

The Board voted unanimously to adopt the resolution.

A motion was made and seconded to adopt the following resolution contained in Docket Number CI-SS-04-01 regarding the expert review of a silage sorghum pilot program.

Resolution to
authorize silage
sorghum pilot
program
Approved

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 Silage Sorghum Pilot Program prior to Board action; and 2) the attached task order statement of work as modified to reflect concerns of the Board be used to execute the contracts.

The Board voted unanimously to adopt the resolution.

A motion was made and seconded to adopt the following resolution contained in Docket Number CI-ELR-04-01 regarding the expansion of expert reviewers.

Resolution to
expand list of
expert reviewers

WHEREAS, section 505(e) of the Federal Crop Insurance Act (Act) requires the Board to enter into contracts 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 by persons experienced as actuaries and in underwriting,

NOW THEREFORE BE IT RESOLVED, that the list of approved expert reviewers be amended to add Bill Smith as an underwriting reviewer.

The Board voted unanimously to adopt the resolution.

A motion was made and seconded to adopt the following resolution in Docket Number CI-GDA-04-01 regarding the General Delegations of Authority.

Resolution to adopt General Delegation of Authority

WHEREAS, pursuant to section 505(d) of the Federal Crop Insurance Act, the Board of Directors has the authority to delegate certain functions of the Federal Crop Insurance Corporation to the Manager,

NOW THEREFORE, be it resolved, the Manager of the Federal Crop Insurance Corporation is delegated in whole or in part, certain powers of the Corporation in accordance with the attached memo regarding General Delegations of Authority.

The Board voted unanimously to adopt the resolution.

A motion was made and seconded to adopt the following resolution contained in Docket Number CI-FACC-04-01 regarding the approval of the Finance and Audit Committee Charter.

Resolution to approve the Finance and Audit Committee charter

WHEREAS, Article III, Section 1(c) authorizes the Board of Directors of the Federal Crop Insurance Corporation to form such committees as deemed necessary,

WHEREAS, the Board of Directors formed the Finance and Audit Committee pursuant to a Corporate Charter,

RESOLVED that, the Board of Directors approves the attached Corporate Charter for the Finance and Audit Committee, as amended by the Finance and Audit Committee.

The Board voted unanimously to adopt the resolution.

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

Adjourn

meeting adjourned at 2:15 p.m. to meet again in early April 2004 in Washington, D.C.

February 27, 2004

/signed/
Byron Anderson, Secretary
Federal Crop Insurance Corporation