



United States
Department of
Agriculture

Federal Crop
Insurance
Corporation

1400 Independence
Ave, SW
Stop 0801
Washington, DC
20250-0801

TO: Board of Directors
Federal Crop Insurance Corporation

July 19, 2001

FROM: Phyllis W. Honor /s/ Phyllis W. Honor
Acting Manager

SUBJECT: Board Memorandum No. 618
Resolution to Approve a Suspension of Action on the Resubmission of the
Timber Crop Coverage 508(h) Program by Acceptance Insurance Companies,
Inc.

There is submitted for your consideration and approval a resolution authorizing a suspension of action by the Federal Crop Insurance Corporation (FCIC) Board of Directors (Board) on the resubmission of the Timber Crop Coverage (TCC) Program.

Since the initial submission of this product in September 2000, and in lieu of disapproval of the program by the FCIC Board, the Board and the submitting company have exercised the option under section 508(h)(4)(D)(iii) of the Federal Crop Insurance Act to mutually agree upon extensions beyond the 90 and 120-day statutory deadlines so that the submitting company could resolve issues with the program raised by expert reviewers, RMA staff and legal counsel. The last extension of 180 days was granted by the Risk Management Agency (RMA) on January 2, 2001. Due to unanticipated third party delays in the development process of the product, the submitting company could not meet that deadline which was July 10, 2001, and on July 10, 2001, Mr. Peter Gutgsell, on behalf of Acceptance Insurance Companies, Inc., requested another 60-day extension. At the July 11, 2001, Board meeting, the Board requested RMA staff to work with the submitting company to put forth a resolution for consideration by the Board at its next Board meeting. The following resolution was agreed upon by the submitting company:

To address the request for an additional extension of time, it is necessary for the Board of Directors to approve the following resolution:

R E S O L U T I O N

RESOLVED, That, in lieu of further extension of time, the Federal Crop Insurance Corporation's Board of Directors (Board) suspends action on the Timber Crop Coverage (TCC) Insurance Program until such time as the submitting company resubmits its proposal ready for Board approval and potential implementation that addresses the problems with the program raised by expert reviewers, RMA staff and

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legal counsel. RMA will have 15 days to evaluate the resubmission for completeness prior to consideration by the Board. If not complete, the resubmission will be returned

to the submitting company. Once the resubmission is determined to be complete, the Board will make a determination within 15 days whether expert reviews are then necessary. If expert reviews are necessary, the Board will proceed as soon as possible to contract for such reviews, and upon receipt of those reviews, the Board will have 45 days to take action on the resubmission. If expert reviews are not required, the Board will have 45 days after the determination that they are not necessary to take action on the resubmission.

PASSED

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

07/19/01
Date

[SEAL]

Approved by:

/s/ Keith Collins
Keith Collins
Acting Chairman of the Board

07/19/01
Date