

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 November 29, 2007, in Room G28C, 6501 Beacon Drive, Kansas City, MO. The public was invited to attend the open session portion of the meeting.

Meeting
November 29,
2007

The meeting was called to order at 9:00 a.m. in open session.

Call to Order
Open Session

Kim Arrigo 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 Board then immediately went into executive session to discuss confidential matters with Risk Management Agency (RMA) staff and submitters of products under section 508(h) of the Federal Crop Insurance Act (FCIA).

Executive Session

The open session of the Board reconvened at 11 a.m.

Reconvene Open
Session

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

Present

Also present were Floyd Gaibler, Deputy Under Secretary, FFAS; Kim Arrigo and Don Brittenham, Office of the General Counsel (OGC); Vondie O'Conner, William Murphy, Tim Hoffman, Tom Worth, Kent Lanclos, Cindy Spoor, Leiann Nelson, Richard Anderson, Matt Kamphoefner, Margo Erny, Mary Alonzo, Velerie Eddleman (phone), Steve Tanner, Bridger Roy, Andrew Brandt, Brenda Wills, and Dianne Bell of RMA; Michael Robichaux and Brian Breaux, Louisiana Farm Bureau; Ken Harrison, Crop Insurance Research Bureau; Don Armstrong, Lewayne Jansonius and Rob Cerda, Crop Insurance Services; Ken Ackerman, Olsen, Frank and Weeda; Jim Driscoll, Watts and Associates; Robert Parkerson and Tom Zacharias, National Crop Insurance Services, Inc. and Pat Collins.

Chairman Collins asked Eldon Gould, FCIC Manager for the Manager's Report (the Manager's Report is available on line at www.rma.usda.gov). Mr. Gould commented specifically on RMA: improving the production reporting process, determining California's fires caused mostly by natural occurrence with a few instances of manmade causes, working with the National Association of Insurance Commissioners and National Crop Insurance Services on adjuster licensing procedures, and reporting the projected loss ratio for the current insurance year to be .67.

Manager's Report

Hearing no objection, Dr. Collins agreed to dispense with a reading of the Manager's Report. (Exhibit 2923)

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 September 12, 2007.

Dispense with Reading – Minutes

The motion carried. (Exhibit 2922)

Approved

Next, the Board took up Docket No. CI-GRP-Oysters 07-02. Due to the proprietary nature of this submission under section 508(h) of the FCIA, no presentations were made in the public session of the meeting.

508(h) Submission-GRP Oysters

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

WHEREAS, the submitter and the Board have agreed to an extension of time for the Board to act on the Group Risk Plan for Oyster Pilot until its April 2008 meeting, the Board has determined that additional expert review is necessary because of modifications made to the submission. 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 Group Risk Plan for Oysters Pilot prior to Board action; and 2) the attached task order statement of work be used to execute the contracts.

The Board voted to approve the resolution. (Exhibit 2924)

Approved

The Board then considered Docket No. CI - ARH Cherry Pilot Crop Insurance Program - 07-01.

ARH Cherry Plan of Insurance

Matt Kamphoefner representing RMA provided the Board with a presentation on Actual Revenue History (ARH) Cherry plan of insurance. He indicated that in 2005 the Board approved the continuation of the Cherry Dollar Plan of Insurance though crop

year 2008, while also instructing RMA to examine alternatives. RMA contracted to explore the possibilities that resulted in the ARH Cherry program. The ARH Cherry program incorporates features of the Actual Production History and Dollar plans of insurance. The Cherry Program proposal includes a minor expansion into surrounding counties covered by the Dollar Plan.

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

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 Actual Revenue History-Cherry plan of insurance prior to Board action; and 2) the attached task order statement of work be used to execute the contracts.

The Board voted to approve the resolution. (Exhibit 2925)

Approved

The Board next considered the expansion of the expert reviewer pool.

Expansion of
Expert Reviewers

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

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 Gayle Wentling, as an underwriter reviewer.

The Board voted to approve the resolution. (Exhibit 2926)

Approved

Chairman Collins stated that since this would be his last meeting due to his retirement a new Chairperson would be needed.

Chairman Collins offered the following resolution, which was seconded, for adoption:

Interim
Chairperson

WHEREAS, the pending retirement of Dr. Keith Collins will create a vacancy in the position of Office of Chief Economist, a position from which Dr. Collins serves as a member and Chairperson of the Federal Crop Insurance Corporation Board of Directors;
NOW THEREFORE BE IT

RESOLVED, that Dr. Mark Keenum, Under Secretary of Agriculture for Farm and Foreign Agricultural Services of the U.S. Department of Agriculture, and a current member of the Federal Crop Insurance Corporation Board of Directors, is elected to serve as Interim Chairperson of the Federal Crop Insurance Corporation Board of Directors effective on December 22, 2007.

The Board voted to approve the resolution. (Exhibit 2927)

Approved

Chairman Collins then recognized Under Secretary FFAS Keenum. Under Secretary Keenum presented Dr. Collins a plaque in appreciation and recognition of Dr. Collins 32 years of service from the Board of Directors. He also presented a book of letters from colleagues congratulating him and wishing him well in his retirement.

Presentation to
Chairman Collins

Chairman Collins then thanked the Board members and staff for their participation and efforts during his tenure as Chairman. He remarked that he had enjoyed his time serving on the Board, noting many accomplishments achieved and challenges faced that had resulted in an improved crop insurance program.

The Chair recognized Robert Parkerson, National Crop Insurance Services. Mr. Parkerson, on behalf of the standard re-insurance holders, expressed his gratitude to Chairman Collins for his leadership and wished him the best in his retirement.

There being no further business to come before the Board the meeting adjourned to meet again in late January or early February in Washington, DC.

Adjournment

November 29, 2007

signed
Cindy Spoor, Interim Secretary
Federal Crop Insurance Corporation