

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 24-25, 2010, in Room 6610 of the South Building, U.S. Department of Agriculture, Washington, D.C. The public was invited to attend the open session portion of the meeting.

Meeting
February 24-25,
2010

The meeting was called to order at 2:30 pm, February 24, 2010 in open session.

Call to Order
Open Session

David Grahn 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 and advised each member to act accordingly.

Recitation

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

Executive Session

The open session of the Board reconvened at 10:30 am, February 25, 2010.

Reconvene Open
Session

The Chairman requested Board members to introduce themselves. Present were Joe Glauber, Chief Economist, USDA; Jim Miller, Under Secretary, Farm and Foreign Agricultural Services (FFAS); Curt Sindergard, Luis Monterde, Susan Rogers, James Nickel, Mike Pickens (phone), Frank Jones Jr., and Bill Murphy, Manager, constituting a statutory quorum and Cindy Spoor, Secretary, FCIC.

Present

Also present were Kim Arrigo(phone), David Grahn and Alicia Peden, Office of the General Counsel (OGC); Barbara Leach, Associate Administrator, Tim Witt, Tim Hoffmann, Pat Engel, Tom Worth, Velerie Eddleman (phone), Kent Lanclos, Mary Alonzo, Ron Lundine and Sara Buettner-Connelly of RMA; Ken Ackerman, Olsen, Frank and Weeda; Alex Offerdahl, Watts and Associates; Paul Holmen, Northern Food Grade Soybean Assoc.; Paddy Link, Wexler and Walker Public Policy; Eldon Gould, Eldon Gould Farm and former RMA Administrator; Bruce Sherrick, University of Illinois; and Rodney Werhzierl, Illinois Corn Marketing Board.

Hearing no objection, Dr. Glauber agreed to dispense with a reading of the Manager's Report. (Exhibit 3061)

Manager's Report

Chairman Glauber asked Bill Murphy for the Manager's Report (the Manager's Report is available on line at www.rma.usda.gov). Mr. Murphy noted that RMA continues to implement the Comprehensive Information Management System (CIMS). CIMS is currently providing consolidated information for 2006 thru 2010 crop years for users from RMA, FSA, Office of the Inspector General (OIG), and participating crop insurance companies. He also stated that the final rule for the Common Crop Insurance Policy that will provide revenue protection and yield protection within one Basic Provisions and the applicable Crop Provisions that replace the Crop Revenue Coverage, Income Protection, Indexed Income Protection and Revenue Assurance Plans of Insurance should be out shortly after March 15, 2010. Mr. Murphy then thanked two Board members, Frank Jones Jr. of Texas and Curt Sindergard of Iowa for their service.

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 November 19, 2009.

The motion carried. (Exhibit 3062)

The next agenda item was Docket CI-Confidential Submission 0018 02-25-10 01.

Chairman Glauber offered the following resolution:

WHEREAS, Section 505(e) of 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 pursuant to the information contained in Docket CI-Confidential Submission 0018 02-25-10 01, Exhibit 3063, the Board authorizes the Manager to take such action as necessary to enter into and execute contracts with persons or entities on the attached list, or the alternates in case the proposed persons are not available, to review Confidential Submission 0018 prior to Board action with the attached task order statement of work to be used to execute such contracts; provided that the Manager enters into such contracts only after the Manager determines that the submitter has made adjustments to the submission consistent with concerns raised by the Board and staff and discussed with the submitter during the Executive Session.

Dispense with
Reading –
Minutes

Approved

Confidential
Submission 0018

There being no discussion the Board voted to approve the resolution. (Exhibit 3063)

Approved

The next agenda item was Docket No. CI – Confidential Submission Section 522(b) Concept Proposal 115 02-11-10 01.

Concept Proposal
115

Chairman Glauber then offered the following resolution, which was seconded:

WHEREAS, Section 522(b) of the Federal Crop Insurance Act (Act) requires the Board to enter into contracts with persons with qualifications appropriate to review the type of concept proposal submitted for reviews of a concept proposal proposed to be developed under section 508(h) of the Act, NOW THEREFORE BE IT

RESOLVED: That pursuant to the information contained in Docket No. CI – Confidential Submission Section 522(b) Concept Proposal 115 02-11-10 01, Exhibit 3064, the Board approves expert review for Concept Proposal 115 and directs 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 Concept Proposal 115 prior to Board action; and 2) the attached task order statement of work be used to execute the contracts.

There being no discussion the Board voted to approve the resolution. (Exhibit 3064)

Approved

Docket No. CI – Confidential Submission Section 522(b) Concept Proposal 114 02-11-10 01 was brought to the floor by Chairman Glauber, who offered the following resolution, which was seconded:

Concept Proposal
114

WHEREAS, Section 522(b) of the Federal Crop Insurance Act (Act) requires the Board to enter into contracts with persons with qualifications appropriate to review the type of concept proposal submitted for reviews of a concept proposal proposed to be developed under section 508(h) of the Act, NOW THEREFORE BE IT

RESOLVED: That pursuant to the information contained in Docket No. CI – Confidential Submission Section 522(b) Concept Proposal 114 02-11-10 01, Exhibit 3065, the Board approves expert review for Concept Proposal 114 and directs 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 Concept Proposal 114 prior to Board action; and 2) the attached task order statement of work be used to

execute the contracts.

There being no discussion the Board voted to approve the resolution. (Exhibit 3065)

Approved

Docket No. CI – Confidential Submission Section 522(b) Concept Proposal 111 02-11-10 02 was the next action item before the Board.

Concept Proposal
111

Chair Glauber offered the following resolution, which was seconded:

WHEREAS, Section 522(b) of the Federal Crop Insurance Act (Act) provides the Board with the authority to pay an advance payment advance payment of up to 50 percent for research and development costs of a concept proposal that will be developed in to a complete and of sufficient quality 508(h) submission, NOW THEREFORE BE IT

RESOLVED: That pursuant to the information contained in Docket No. CI – Confidential Submission Section 522(b) Concept Proposal 111 02-11-10 02, Exhibit 3066, the Board approves the advance payment of \$106,548 for Concept Proposal 111, as authorized under section 522(b) of the Federal Crop Insurance Act.

By approving the advance payment of estimated research and development expenses, the Board is not approving or endorsing the estimated hours, wage rates, or costs requested by the submitter. The submitter will be required to prove that all costs are necessary and reasonable.

By accepting the advance payment, the applicant agrees to provide a submission consistent with section 508(h) of the Act to the Board in the October 2010 submission period.

There being no discussion the Board voted to approve the resolution. (Exhibit 3066)

Approved

There being no further business to come before the Board the meeting adjourned to meet again May 11-13, 2010 in Washington DC.

Adjourn

February 25, 2010

/signed/
Cindy Spoor, Secretary
Federal Crop Insurance Corporation