



**United States
Department of
Agriculture**

Federal Crop
Insurance
Corporation

1400 Independence
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Stop 0801
Washington, DC
20250-0801

TO: Board of Directors
Federal Crop Insurance Corporation

FROM: Ross J. Davidson, Jr. /s/
Manager

SUBJECT: Board Memorandum No. 751
Docket No. CI-AGR-Lite-04-02
AGR-Lite Expansion to North Carolina-Submitted by Pennsylvania Department
of Agriculture and the North Carolina Department of Agriculture, Beginning
with the 2005 Crop Year

There is submitted for your consideration the subject docket regarding the request for expansion of the Adjusted Gross Revenue-Lite (AGR-Lite) policy into all counties in North Carolina; beginning with the 2005 crop year, as submitted by the Pennsylvania Department of Agriculture and the North Carolina Department of Agriculture, with reinsurance, risk subsidy, and administrative and operating subsidy.

Under section 508(h) of the Federal Crop Insurance Act (Act), the Board shall approve a submission if the interests of producers are protected and the premium rates are actuarially appropriate. While section 508(h) of the Act states that submissions may be prepared without regard to the limitations in the Act, it is not unrestricted. The coverage level and price elections have been specifically referenced as examples of the limitations that do not apply. All other provisions of the Act, such as prohibitions, are applicable to the submission. If the submission violates one of these other provisions, then the Board does not have the authority to approve the submission. Since the Act also requires the agency to take action to make the program actuarially sound and protect the integrity of the program, the Board does not have the authority to approve submissions that contain program vulnerabilities or adversely affect program integrity.

It is necessary for the Board of Directors to select one of the following options to either approve or disapprove Docket No. CI-AGR-Lite-04-02.

FINAL RESOLUTION

**North Carolina Expansion of AGR-Lite Plan of Insurance
Docket No. CI-AGR-Lite-04-02**

RESOLVED, that Docket No. CI-AGR-Lite-04-02 (Exhibit No. 2732), authorizing the expansion of the Adjusted Gross Revenue-Lite (AGR-Lite) Plan of Insurance to all counties in North Carolina, provided that actuarially appropriate premium rates as approved by the Manager of the Federal Crop Insurance Corporation (FCIC), are provided by the Pennsylvania Department of Agriculture and the North Carolina Department of Agriculture, beginning with the 2005 crop year, as authorized under section 508(h) of the Federal Crop Insurance Act, is hereby approved.

Adopted by the Board of Directors on: 05/06/04

/signed/
Byron Anderson, Secretary
Federal Crop Insurance Corporation

[SEAL]

Approved by:

/signed/
Keith Collins
Chairman of the Board

05/11/04
Date