



UNITED STATES
CIVILIAN BOARD OF CONTRACT APPEALS

DISMISSED WITH PREJUDICE: June 7, 2007

CBCA 120-FCIC

In the Matter of
ACE PROPERTY AND CASUALTY INSURANCE COMPANY
f/k/a CIGNA PROPERTY AND CASUALTY INSURANCE COMPANY
and
RAIN AND HAIL L.L.C.
(In re: BRAR BROS. FARMING)

Bruce B. Green and Frank W. Pechacek, Jr. of Willson & Pechacek, P.L.C., Council Bluffs, IA, and Michael J. Davenport, General Counsel of Rain and Hail L.L.C, Johnston, IA, counsel for Appellant.

Maria Giatrakis, Office of the General Counsel, Department of Agriculture, San Francisco, CA, counsel for the Federal Crop Insurance Corporation.

VERGILIO, Board Judge.

ORDER

On June 4, 2004, Ace Property and Casualty Insurance Company f/k/a CIGNA Property and Casualty Insurance Company and Rain and Hail L.L.C. (collectively, the insurance company) submitted a notice of appeal involving a final determination by the Deputy Administrator for Compliance at the Department of Agriculture, Risk Management Agency (RMA). The action arises under a Standard Reinsurance Agreement (SRA) between CIGNA and the Federal Crop Insurance Corporation (FCIC). The insurance company provided multiple peril crop insurance coverage; the Government provides reinsurance to the insurance company pursuant to the SRA.

In compliance case WRCO-1245, the RMA determined that for crop year 2000 the insurance company failed to adequately perform its loss adjustment and quality control responsibilities regarding its insurance policy with Brar Bros. Farming. The RMA

determined that under the SRA, the insurance company is liable to the Government for an overstated premium (\$3872) and for an indemnity overpayment (\$123,451).

This dispute, timely filed before the Department of Agriculture Board of Contract Appeals, now is properly before this Board. 72 Fed. Reg. 31,437-38 (June 7, 2007). After the submission of the appeal file, complaint, and answer, the parties engaged in discovery and settlement discussions. On June 6, 2007, the Board received from the parties a stipulation for settlement and a request for a dismissal with prejudice, with each party to bear its own costs and attorney fees. The insurance company shall pay the FCIC \$59,218 in full and final settlement of two compliance cases, WRCO-1236 and WRCO-1245.

In light of the request of the parties, this case is **DISMISSED WITH PREJUDICE**.

JOSEPH A. VERGILIO
Board Judge