



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  
December 12, 2001

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

SUBJECT: Board Memorandum No. 639  
Resolution to Approve Final Procedures for Independent Reviews of Policies,  
Plans of Insurance, and Related Materials

There is submitted for your consideration and approval a resolution to approve the attached final procedures for use in independent reviews of policies, plans of insurance, and related materials by independent reviewers.

Section 505(e) of the Federal Crop Insurance Act (Act) requires the Board of Directors (Board) to:

1. Establish procedures under which any policy or plan of insurance, as well as any related material or modification of such a policy or plan of insurance, to be offered under the Act shall be subject to independent reviews by persons experienced as actuaries and in underwriting, as determined by the Board; and
2. Contract with at least five persons to each conduct a review of the policy or plan of insurance.

Section 505(e) of the Act further requires the Board to include the reviews by the independent reviewers as part of the Board's material in their consideration for approval 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.

At the September 18, 2000, Board meeting, the Board approved interim procedures for use in independent reviews of policies, plans of insurance, and related materials by independent reviewers. The Risk Management Agency has made several changes to those procedures and requests that those changes and the procedures be considered and approved by the Board in final form.

Through use of the following resolution, I recommend that the interim procedures be replaced with the attached final procedures.

R E S O L U T I O N

WHEREAS, The Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) (Act) made a change in the responsibility of the Board of Directors (Board) to establish procedures for the review of policies, plans of insurance, and related materials, and

WHEREAS, Interim procedures have been approved and tested, and needed changes have been noted and incorporated into the attached final procedures, NOW THEREFORE BE IT

RESOLVED, That the attached final procedures for use in the expert review by independent reviewers 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 Federal Crop Insurance Act, are hereby approved by the Board, and replace those interim procedures previously approved by the Board on September 18, 2000.

PASSED

<u>/s/ Diana Moslak</u>	<u>12/12/01</u>
Diana Moslak	Date
Secretary	
Federal Crop Insurance Corporation	

[SEAL]

Approved by:

<u>/s/ Keith Collins</u>	<u>12/12/01</u>
Keith Collins	Date
Acting Chairman of the Board	