A meeting of the Board of Directors (Board) of the Federal Crop Insurance Corporation (FCIC) was held on August 12, 2002, in room 104-A, Jamie L. Whitten Federal Office Building, U.S. Department of Agriculture, Washington, D.C. The public was invited to attend.

The meeting was called to order at 1:05 a.m., in Open Session.

Present were J. B. Penn, Under Secretary, Farm and Foreign Agricultural Services (FFAS); Keith Collins, Chief Economist, USDA and Chairperson; Roger Swartz, Susan Fitzsimmons, John Askew, Frank Jones, Tim Kelleher, and Chris Watt, constituting a statutory quorum; Ross Davidson, Manager, FCIC; and Diana Moslak, Secretary.

Also present were Hunt Shipman, FFAS; Don Brittenham, Office of the General Counsel (OGC); Joe Glauber, Office of the Chief Economist (OCE); Jim Staiert of the Office of Budget and Program Analysis (OBPA); Darrell Swanson, Office of the Inspector General (OIG); Byron Anderson, Tim Witt, Tim Hoffmann, Nelson Maurice, Vondie O’Conner, Dave Clauser, Bill Bing, Leiann Nelson, Heyward Baker, Mary Slay, Don Stonecypher, Anjie Minnick, and Alex Christensen of the Risk Management Agency (RMA); Russell Redding, Pennsylvania Department of Agriculture (PADA); Eugene Gantz of Ag Risk Strategies, Inc. (AgRisk); David Bossman and Peter Griffin of American Agri-Business Insurance Company (AABIC); Steve Griffin, Crop 1 Insurance Direct, Inc. (Crop 1); Barbara Leach, Government Relations Policy Advisor to AABIC and Crop 1; Brian Brandt of Agricultural Conservation Innovation Center (ACIC); Tom Green of AgFlex; and Ken Ackerman of Olsson, Frank and Weeda, P.C.

The Open Session adjourned at 1:09 p.m., to reconvene in Executive Session at 1:10 p.m.
Present were J. B. Penn, Under Secretary, FFAS; Keith Collins, Chief Economist, USDA and Chairperson; Roger Swartz, Susan Fitzsimmons, John Askew, Frank Jones, Tim Kelleher, and Chris Watt, constituting a statutory quorum; Ross Davidson, Manager, FCIC; and Diana Moslak, Secretary.

Also present were Hunt Shipman, FFAS; Don Brittenham, OGC; Joe Glauber, OCE; Jim Staiert, OBPA; Darrell Swanson, OIG; Byron Anderson, Tim Witt, Tim Hoffmann, Nelson Maurice, Vondie O’Conner, Dave Clauser, Bill Bing, Leiann Nelson, Heyward Baker, Mary Slay, Don Stonecypher, Anjie Minnick, and Alex Christensen of RMA; Russell Redding, PADA; and Eugene Gantz, AgRisk.

Butch May, FFAS, arrived in the Executive Session at 1:11 p.m.

Alan Ott, RMA, arrived in the Executive Session at 1:14 p.m.

Larry Piatz, RMA, arrived in the Executive Session at 1:16 p.m.

Hunt Shipman, FFAS, left the Executive Session at 1:20 p.m., and returned to the Executive Session at 1:45 p.m.

Alan Ott, RMA, left the Executive Session at 1:30 p.m.

Byron Anderson, RMA, left the Executive Session at 1:48 p.m.

At 1:55 p.m., Russell Redding, PADA, and Eugene Gantz, AgRisk, were asked to leave the Executive Session and David Bossman and Peter Griffin, AABIC; Barbara Leach, Government Relations Policy Advisor to AABIC; and Ken Ackerman of Olsson, Frank and Weeda, P.C., were invited into the Executive Session.

Byron Anderson, RMA, arrived in the Executive Session at 2:00 p.m.

Alan Ott, RMA, arrived in the Executive Session at 2:07 p.m.

Beth Bechdol, FFAS, arrived in the Executive Session at 2:15 p.m.

At 2:20 p.m., David Bossman and Peter Griffin, AABIC; Barbara Leach, Government Relations Policy Advisor to AABIC; and Ken Ackerman of Olsson, Frank and Weeda, P.C., were asked to leave the Executive Session and at 2:25 p.m., Steve Griffin, Crop 1; Barbara Leach, Government Relations Policy Advisor to Crop 1; and Ken Ackerman of Olsson, Frank and Weeda, P.C., were invited into the Executive Session.
Beth Bechdol, FFAS, left the Executive Session at 2:50 p.m.

Byron Anderson, RMA, left the Executive Session at 3:16 p.m.

The Executive Session recessed at 3:25 p.m., and reconvened in Executive Session at 3:30 p.m.

Present were J. B. Penn, Under Secretary, FFAS; Keith Collins, Chief Economist, USDA and Chairperson; Roger Swartz, Susan Fitzsimmons, John Askew, Frank Jones, Tim Kelleher, and Chris Watt, constituting a statutory quorum; Ross Davidson, Manager, FCIC; and Diana Moslak, Secretary.

Also present were Hunt Shipman and Butch May, FFAS; Don Brittenham, OGC; Joe Glauber, OCE; Jim Staiert, OBPA; Darrell Swanson, OIG; Byron Anderson, Tim Witt, Tim Hoffmann, Nelson Maurice, Vondie O'Conner, Dave Clauser, Bill Bing, Leiann Nelson, Heyward Baker, Mary Slay, Don Stonecypher, Anjie Minnick, and Alex Christensen of RMA; Brian Brandt, ACIC; Tom Green, AgFlex; and Ken Ackerman of Olsson, Frank and Weeda, P.C.

Butch May left the Executive Session at 4:00 p.m.

J. B. Penn and Hunt Shipman left the Executive Session at 4:25 p.m.

At 4:26 p.m., Brian Brandt, ACIC; Tom Green, AgFlex; and Ken Ackerman of Olsson, Frank and Weeda, P.C., were asked to leave the Executive Session and John Bednarik, American Farm Bureau Insurance Services, Inc., and Bruce Babcock, Iowa State University, were invited into the Executive Session via tele-conference.

Board member Roger Swartz recused himself and left the Executive Session.

The Executive Session adjourned at 4:45 p.m., to reconvene in Open Session.

The meeting was called to order in Open Session at 5:20 p.m.

Present were Keith Collins, Chief Economist, USDA and Chairperson; Roger Swartz, Susan Fitzsimmons, John Askew, Frank Jones, Tim Kelleher, and Chris Watt, constituting a statutory quorum; Ross Davidson, Manager, FCIC; and Diana Moslak, Secretary.
Also present were Don Brittenham, OGC; Joe Glauber, OCE; Jim Staiert, OBPA; Darrell Swanson, OIG; Byron Anderson, Tim Witt, Tim Hoffmann, Nelson Maurice, Vondie O’Conner, Dave Clauser, Bill Bing, Leíann Nelson, and Mary Slay of RMA; Russell Redding, PADA; Eugene Gantz, AgRisk; David Bossman and Peter Griffin, AABIC; Steve Griffin, Crop 1; Barbara Leach, Government Relations Policy Advisor to AABIC and Crop 1; Brian Brandt, ACIC; Tom Green, AgFlex; Ken Ackerman of Olsson, Frank and Weeda, P.C.; Sarah Tyree of AgriLogic, Inc., Elizabeth Haws of American Association of Crop Insurers; and Jane Shey of the Crop Insurance Research Bureau.

Don Brittenham read a recitation to all members of the Board.

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 July 23, 2002.

The motion carried. (Exhibit No. 2111.)

A motion was made and seconded to adopt the following resolution:

WHEREAS, The Federal Crop Insurance 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) Board Memorandum No. 662, authorizing expert review of the Adjusted Gross Revenue (AGR) - Lite Plan of Insurance, is hereby approved for expert review subject to resolution between the submitter and the Administrator of the Risk Management Agency of the issues raised in Executive Session by the Board; 2) 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 proposed AGR - Lite Plan of Insurance prior to Board action; and 3) the attached task order statement of work be used to execute the contracts.

The motion carried. (Board Memorandum No. 662; Exhibit No. 2112.)
A motion was made and seconded to adopt the following resolution:

WHEREAS, The Federal Crop Insurance 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 at the request of the submitter, the Board agrees to: (1) send out for expert review the Livestock Risk Protection Plans (LRP) of Insurance for Feeder Cattle and Dairy tabled at the May 7, 2002, Board meeting and the new private product before the Board on August 12, 2002; (2) allow until November 13, 2002, for the expert review of these three private products; (3) authorize the Manager of the Corporation 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 LRP Plans of Insurance for Feeder Cattle and Dairy and the proposed new private product submission submitted by American Agri-Business Insurance Company prior to Board action; and (4) the use of the attached task order statement of work to execute the contracts for these three private product submissions. The submitter and the Board agree that the Board will have 45 days to either approve or give notice to disapprove the 508(h) private product submissions from November 13, 2002.

The motion carried. (Board Memorandum No. 663; Exhibit No. 2113.)

A motion was made and seconded to adopt the following resolution:

WHEREAS, The Federal Crop Insurance 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) Board Memorandum No. 664, authorizing expert review of the Production Dollar Plan of Insurance, is hereby approved for expert review subject to the submitter first responding within 30 days in writing to questions raised by the Risk Management Agency for the expert reviewers; 2) 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 proposed Production Dollar Plan of Insurance prior to Board action; and 3) the attached task order statement of work be used to execute the contracts.

The motion carried. (Board Memorandum No. 664; Exhibit No. 2114.)

A motion was made and seconded to adopt the following resolution:

WHEREAS, The Federal Crop Insurance 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 proposed revisions to the Nutrient Best Management Practice Endorsement prior to Board action; and 2) the attached task order statement of work be used to execute the contracts.

The motion carried. (Board Memorandum No. 665; Exhibit No. 2115.)

A motion was made and seconded to adopt the following resolution:

WHEREAS, The Federal Crop Insurance 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 proposed expansion of the Revenue Assurance Plan of Insurance to cover malting barley prior to Board action; and 2) the attached task order statement of work be used to execute the contracts.

The motion carried. (Board Memorandum No. 666; Exhibit No. 2116.) Board member Roger Swartz recused himself from voting.
There being no further business to come before the Board, the
meeting adjourned at 5:40 p.m., to meet again on September 19, 2002, in
Kansas City, Missouri.

/s/ Diana Moslak

August 12, 2002
Diana Moslak, Secretary
Federal Crop Insurance Corporation

Adjourn