

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 June 4-5, 2019, in Washington, DC. The public was invited to attend the open session portion of the meeting.

Meeting
June 5, 2019

The meeting was called to order at 2:30 am on June 4, 2019.

Call to Order
Open Session

The Board immediately went into executive session to discuss confidential matters with Risk Management Agency (RMA) staff and submitters of private products under section 508(h) of the Federal Crop Insurance Act (Act).

Executive Session

Open session of the Board reconvened on June 5, 2019, at 4:30 pm.

Reconvene Open
Session

Maureen James 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 Chairman requested Board members to introduce themselves. Present were Rob Johansson, Chief Economist, USDA; James Bardenhagen, Kenneth Sneed, John Finston, Iris Saenz, Michael Clemens, and Martin Barbre, Manager, FCIC, constituting a statutory quorum, and Robin Anderson, Secretary, FCIC.

Present

Also present were Heather Manzano, Delores Dean, Tom Worth, Chandra Mason, David Zanoni, Andrew Kowalski, Griffin Schnitzler, Jessica Dedrick, and Richard Flournoy, RMA; Jody Bailey, FPAC Business Center; Maureen James from the Office of the General Counsel; Ashley Hungerford, Office of the Chief Economist; Mark Hight and Josh Anderson, Office of Inspector General, Trevor White, House Ag Committee; and Keith Schumann, AgriLogic, LLC.

Present by phone were: Tara Ponds, Angela Conchola, Jay Hunnicutt, Wilma Davis, and Galen Tuley, RMA; Nichole Gueck and Dave Clauser, AgriLogic, LLC; Rob Cerda, Crop Insurance

Services; Mark Lehman, Watts and Associates; Rex Raimond, Maridian; and Mark Seetin, U.S. Apple Association.

Chairman Johansson asked Administrator Martin Barbre for the Manager's Report. Mr. Barbre stated that the [Manager's Report](#) is available on line.

Manager's Report

Hearing no objection, Dr. Johansson agreed to dispense with a reading of the Manager's Report. (Exhibit 4524)

Dispense with Reading Report

A motion was made and seconded to dispense with the reading of the Minutes and to approve the Minutes (Exhibits 4525 and 4526) of the meetings of the Board held on March 27 and April 23, 2019.

Approved

The motion carried. (Exhibit 4525 and 4526)

Chairman Johansson offered the following resolution for Docket No. CI-Section 508(h) Confidential Submission 0077 Modification 06-05-19 01, which was seconded:

Confidential Submission 0077 Modification

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 No. CI-Section 508(h) Confidential Submission 0077 Modification 06-05-19 01, Exhibit 4527, the Board approves expert review, as discussed in Executive Session, for Confidential Submission 0077 Modification 06-05-19 01, and directs that the Manager of the Corporation be authorized to take such action as necessary to enter into and execute contracts with the Board approved persons or entities, or the alternates in case the proposed persons are not available.

There being no discussion, the Board voted to approve the resolution. (Exhibit 4527)

Approved for Expert Review

Chairman Johansson offered the following resolution for Docket No. CI-Section 508(h) Submission APH Clary Sage User Fee Request 06-05-19 01, which was seconded:

APH Clary Sage User Fee Request

RESOLVED, that pursuant to the information contained in Docket No. CI-Section 508(h) Submission APH Clary Sage User Fee Request 06-05-19 01, Exhibit 4528, as well as other materials that were submitted to the Board on this matter, the Board hereby approves the user fee of 2.5 percent, up to an annual maximum of \$22,000, as submitted, to be applied as a percent of premium for the APH Clary Sage crop insurance program beginning with the 2020 reinsurance year, with reinsurance and administrative and operating subsidy in amounts and under such terms and conditions as determined appropriate by the Manager as authorized under section 522(b)(4)(D) of the Federal Crop Insurance Act.

There being no discussion, the Board voted to approve the resolution. (Exhibit 4528)

Approved

Chairman Johansson offered the following resolution for Docket No. CI-Section 508(h) Confidential Submission 0078 Modification 06-05-19 01, Exhibit 4529, which was seconded:

Confidential
Submission 0078
Modification

RESOLVED, that pursuant to the information contained in Docket No. CI-Section 508(h) Confidential Submission 0078 Modification 06-05-19 01, Exhibit 4529, as well as other materials that were submitted to the Board on this matter, the Board hereby approves Confidential Submission 0078 Modification, beginning with the crop year the Manager determines is practicable with reinsurance and administrative and operating subsidy in amounts and under such terms and conditions as determined appropriate by the Manager as authorized under section 508(h) of the Federal Crop Insurance Act. NOW THEREFORE BE IT FURTHER RESOLVED:

That the Board delegates to the Manager the authority to make such technical policy changes as are necessary to make the policy legally sufficient.

There being no discussion, the Board voted to approve the resolution. (Exhibit 4529)

Approved

The next agenda item was Concept Proposal 149 06-05-19 01, Exhibit 4530, which was tabled per discussion in executive session.

Concept Proposal
149
Tabled

Chairman Johansson offered the following resolution for Docket No. CI-Section 508(h) Submission Malting Barley Endorsement User Fee Request 06-05-19 01, Exhibit No. 4531, which was seconded:

Malting Barley
Endorsement
User Fee

RESOLVED, that pursuant to the information contained in Docket No. CI-Section 508(h) Submission Malting Barley Endorsement User Fee Request 06-05-19 01, Exhibit No. 4531, as well as other materials that were submitted to the Board on this matter, the Board hereby approves:

- For the 2020 reinsurance year, the user fee of 1.45 percent, up to a maximum of \$140,650, and
- For subsequent reinsurance years, the user fee of 1.20 percent, up to a maximum of \$115,650,

to be applied as a percent of premium for the Malting Barley Endorsement plan of insurance, with reinsurance and administrative and operating subsidy in amounts and under such terms and conditions as determined appropriate by the Manager as authorized under section 522(b)(4)(D) of the Federal Crop Insurance Act.

There being no discussion, the Board voted to approve the resolution. (Exhibit 4531)

Approved

Chairman Johansson offered the following resolution for Docket No. CI-Section 508(h) Submission Margin Protection User Fee Request 06-05-19 01, Exhibit No. 4532, which was seconded:

Margin Protection User Fee

RESOLVED, that pursuant to the information contained in Docket No. CI-Section 508(h) Submission Margin Protection User Fee Request 06-05-19 01, Exhibit No. 4532, as well as other materials that were submitted to the Board on this matter, the Board hereby approves the user fee of 0.40 percent, up to a maximum of \$256,100, to be applied as a percent of premium for the Margin Protection plan of insurance beginning with the 2020 reinsurance year, with reinsurance and administrative and operating subsidy in amounts and under such terms and conditions as determined appropriate by the Manager as authorized under section 522(b)(4)(D) of the Federal Crop Insurance Act.

There being no discussion, the Board voted to approve the resolution. (Exhibit 4532)

Approved

Chairman Johansson offered the following resolution for Docket No. CI-Section 508(h) Submission ARPI Popcorn User Fee Request 06-05-19 01, Exhibit No. 4533, which was seconded:

ARPI Popcorn User Fee

RESOLVED, that pursuant to the information contained in Docket No. CI-Section 508(h) Submission ARPI Popcorn User Fee Request 06-05-19 01, Exhibit No. 4533, as well as other materials

that were submitted to the Board on this matter, the Board hereby approves the user fee of 1.06 percent, up to a maximum of \$22,300, to be applied as a percent of premium for the ARPI Popcorn plan of insurance beginning with the 2020 reinsurance year, with reinsurance and administrative and operating subsidy in amounts and under such terms and conditions as determined appropriate by the Manager as authorized under section 522(b)(4)(D) of the Federal Crop Insurance Act.

There being no discussion, the Board voted to approve the resolution. (Exhibit 4533)

Approved

The next agenda item was Docket No. CI-Section 522(b) Concept Proposal 146 06-05-19 01, Exhibit 4535, which was tabled per discussion in executive session.

Concept Proposal
146
Tabled

Chairman Johansson offered the following resolution for Docket No. CI-Section 522(b) Concept Proposal 147 06-05-19 02, Exhibit 4536, which was seconded:

Concept Proposal
147

WHEREAS, Section 522(b) of the Federal Crop Insurance Act (Act) requires the Board to consider paying an advance payment of up to 50 percent for research and development costs of a concept proposal that will be developed into a complete and of sufficient quality 508(h) submission, NOW THEREFORE BE IT RESOLVED:

That pursuant to the information contained in Docket No. CI-Section 522(b) Concept Proposal 147 06-05-19 02, Exhibit 4536, the Board approves the advance payment of \$297,300, for Concept Proposal 147 as authorized under section 522(b) of the Federal Crop Insurance Act, the regulations published at 7 C.F.R. part 400, Subpart V, and the Approved Procedures for Reimbursements and Determination of Reasonableness Related to Reimbursement Expenses for Concept Proposals, 508(h) Submissions and User Fee Requests.

By accepting the advance payment or additional advance payment, the applicant agrees to provide a submission consistent with section 508(h) of the Act to the Board in the July 2020 submission period.

There being no discussion, the Board voted to approve the resolution. (Exhibit 4536) (One member abstained)

Approved

Chairman Johansson offered the following resolution for Docket No. CI-Section 508(h) Confidential Submission 0074 06-05-19 02, Exhibit 4537, which was seconded:

Confidential
Submission 0074

RESOLVED, that pursuant to the information contained in Docket No. CI-Section 508(h) Confidential Submission 0074 06-05-19 02, Exhibit 4537, as well as other materials that were submitted to the Board on this matter, the Board hereby approves Confidential Submission 0074, with revisions as discussed in Executive Session, beginning with the crop year the Manager determines is practicable with reinsurance and administrative and operating subsidy in amounts and under such terms and conditions as determined appropriate by the Manager as authorized under section 508(h) of the Federal Crop Insurance Act. NOW THEREFORE BE IT FURTHER RESOLVED:

That the Board delegates to the Manager the authority to make such technical policy changes as are necessary to make the policy legally sufficient.

There being no discussion, the Board voted to approve the resolution. (Exhibit 4537) (One member abstained)

Approved

Chairman Johansson offered the following resolution for Docket No. CI-Section 508(h) Confidential Submission 0080 06-05-19 01, Exhibit 4538, which was seconded:

Confidential
Submission 0080

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 No. CI-Section 508(h) Confidential Submission 0080 06-05-19 01, Exhibit 4538, the Board approves expert review for Confidential Submission 0080, and directs that the Manager of the Corporation be authorized to take such action as necessary to enter into and execute contracts with the Board approved persons or entities, or the alternates in case the proposed persons are not available.

There being no discussion, the Board voted to approve the resolution. (Exhibit 4538) (One member abstained)

Approved for
Expert Review

Chairman Johansson offered the following resolution for Docket No. CI-Section 508(h) Confidential Submission 0079 Modification 06-05-19 01, Exhibit 4539, which was seconded:

Confidential
Submission 0079

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 No. CI-Section 508(h) Confidential Submission 0079 Modification 06-05-19 01, Exhibit 4539, the Board approves expert review for Confidential Submission 0079 Modification, and directs that the Manager of the Corporation be authorized to take such action as necessary to enter into and execute contracts with the Board approved persons or entities, or the alternates in case the proposed persons are not available.

There being no discussion, the Board voted to approve the resolution. (Exhibit 4539) (One member abstained)

Approved for
Expert Review

Chairman Johansson offered the following resolution for Docket No. CI-Section 522(b) Concept Proposal 150 06-05-19 01, Exhibit 4540, which was seconded:

Concept Proposal
150

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 Docket No. CI-Section 522(b) Concept Proposal 150 06-05-19 01, Exhibit 4540, the Board approves expert review for Concept Proposal 150, and directs that the Manager of the Corporation be authorized to take such action as necessary to enter into and execute contracts with the Board approved persons or entities or the alternates in case the proposed persons are not available.

There being no discussion, the Board voted to approve the resolution. (Exhibit 4540) (One member abstained)

Approved for
Expert Review

