

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 on February 5, 2014, in Washington, DC. The public was invited to attend the open session portion of the meeting.

Meeting
February 5, 2014

The meeting was called to order at 10:15 am, February 5, 2014, in Room 108A, Jamie Whitten Building, Washington, DC., U.S. Department of Agriculture, Washington, DC.

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 the Federal Crop Insurance Act (Act).

Executive Session

The open session of the Board reconvened at 2 pm.

Reconvene Open
Session

David Grahn 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 Joe Glauber, Chief Economist, USDA; James Bardenhagen, Iris Saenz, John Finston, Margaret Goode, Ellen Linderman, and Kenneth Sneed and Brandon Willis, Manager, FCIC, constituting a statutory quorum and Cindy Spoor, Secretary, FCIC.

Present

Also present were Associate Administrator Michael Alston, Tim Witt, Thomas Worth, Tim Hoffmann, Leiann Nelson, Pat Engel, Richard Flournoy and Tammy Jackson of RMA; David Grahn, Kim Arrigo, Michael Knipe and Steven Gusky, Office of the General Counsel; Rob Johansson, Deputy Chief Economist; James Callan, JC Associates; Dennis Nuxoll, Western Growers; Steve Edwardson, ND Barley Council; Alex Offerdahl, Watts and Assoc.(phone); Zeke Spears, Vela Environmental and Ben Duncanson, Environmental Fund.

Chairman Glauber asked Brandon Willis for the Manager's Report. Mr. Willis stated that the Manager's Report is available on line at www.rma.usda.gov).

Manager's Report

Hearing no objection, Dr. Glauber agreed to dispense with a reading of the Manager's Report. (Exhibit 4183)

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 November 20-21, 2013.

Dispense with Reading – Minutes

The motion carried. (Exhibits 4184)

Approved

Chairman Glauber offered the following resolution for Docket No. CI–Section 522(b) Concept Proposal 132 02-05-14 01, which was seconded:

Concept Proposal 132

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 in Docket No. CI–Section 522(b) Concept Proposal 132 02-05-14 01, Exhibit 4185, the Board approves expert review for Concept Proposal 132 and directs 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 Concept Proposal 132 prior to Board action; and 2) the attached task order statement of work be used to execute the contracts.

There being no discussion the Board voted to approve the resolution. (Exhibit 4185)

Approved

Docket No. CI – Section 508(h) Confidential Submission 0044 02-05-14 01 was the next action item before the Board. The Chair offered the following resolution which was seconded:

Confidential Submission 0044

RESOLVED, that pursuant to the information contained in Docket No. CI – Section 508(h) Confidential Submission 0044

02-05-14 01, Exhibit 4186, as well as other material that were submitted to the Board on this matter, the Board hereby approves Confidential Submission 0044 in the states and counties where the existing product is available 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. AND 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.

Confidential Submission 0044 is a Malt Barley Revenue Endorsement plan of insurance submitted by Watts and Associates, Inc. and the North Dakota Barley Council.

There being no discussion the Board voted to approve the resolution. (Exhibit 4186)

Approved

The Chair stated that the next action item, Docket No. CI-Section 508(h) Confidential Submission 0045 02-05-14 01, Exhibit 4187 was tabled at the request of the submitter.

Confidential Submission 0045 Tabled

Chairman Glauber offered the following resolution for Docket No. CI - Group Risk Plan for Sugarcane 508(h) Submission 02-05-14 01, which was seconded:

Group Risk Plan Sugarcane

RESOLVED, that pursuant to the information contained in Docket No. CI - Group Risk Plan for Sugarcane 508(h) Submission 02-05-14 01, Exhibit 4188, as well as other material that were submitted to the Board on this matter, the Board hereby withdraws reinsurance, risk subsidy, and administrative and operating subsidy for the Group Risk Plan for Sugarcane beginning with the 2015 crop year as authorized under section 508(h) of the Federal Crop Insurance Act.

There being no discussion the Board voted to approve the resolution. (Exhibit 4188)

Approved

The next item before the Board was Docket No. CI – Whole Farm Revenue Protection Insurance Program 02-05-14 01. The following resolution was offered and seconded.

Whole Farm Revenue Protection

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 – Whole Farm Revenue Protection Insurance Program 02-05-14 01, Exhibit 4189, the Board approves expert review for the Whole Farm Revenue Protection Pilot Program and directs that: 1) the Manager of the Corporation be authorized to take such action as necessary to enter in to 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 Whole Farm Revenue Protection Pilot Program prior to Board action; and 2) the attached task order statement of work be used to execute the contracts.

There being no discussion the Board voted to approve the resolution. (Exhibit 4189)

Approved

Chairman Glauber then offered the following resolution, which was seconded:

Livestock Risk
Protection Lamb

Based on; 1) Consistently high loss ratios; and 2) A determination that the price prediction model for the LRP Lamb policy fails to establish a reasonable expected market price for the purposes of Section 508(c)(5) of the Act.

RESOLVED THAT; 1) Sales of the Specific Coverage Endorsement for Lamb are suspended; 2) The Submitter has 60 days to provide a new or revised price prediction model to the FCIC Board; and 3) If the submitter fails to provide a new or modified price prediction model by the deadline specified, reinsurance is withdrawn, no future sales of the Specific Coverage Endorsement for Lamb will be made and existing LRP Lamb Policies will continue to be reinsured but will be cancelled by the next cancellation date.

There being no discussion the Board voted to approve the resolution. (Exhibit 4191)

Approved

Chairman Glauber offered the following resolution, which was seconded:

Expert Reviewer
Expansion

WHEREAS, Section 505(e) of the Federal Crop Insurance Act (Act) requires the Board to enter into contracts for reviews of any policy or plan of insurance, or any related material or

