

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 10, 2016 in Washington, DC. The public was invited to attend the open session portion of the meeting.

Meeting  
February 10, 2016

The meeting was called to order at 9:00 am, February 10, 2016, in Room 6610, South Agriculture Building, 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 12:15 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 Rob Johansson, 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 Tim Witt, Mike Alston, Thomas Worth, Ron Lundine, Gregory Greene, Robin Anderson and Zachary White, RMA; David Grahn, Kim Arrigo and Isabel Rosa, Office of the General Counsel; Clif Parks, AgriLogic LLC; Alex Offerdahl and Mark Boyd, Watts and Assoc.; Rob Cerda, Crop Insurance Systems; Pat Smith and Kim Monk, USA Dry Pea and Lentil Council, and Cindy Brown, Chippewa Valley Bean Co. Present by phone were Tim Hoffmann, Leiann Nelson, Tara Ponds, Lane Webb, Pamela Stahlke, Anna Parker, Paul Karanevich and Brian

Werner. RMA.

Chairman Johansson asked Brandon Willis for the Manager's Report. Mr. Willis highlighted that the improper payment rate for FY 2015 was 2.2 percent which reflected a 3.38 percentage point drop from the previous year. The Manager's Report is available on line at [www.rma.usda.gov](http://www.rma.usda.gov)).

Manager's Report

Hearing no objection, Dr. Johansson agreed to dispense with a reading of the Manager's Report. (Exhibit 4332)

Dispense with Reading Report

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 18, 2015.

Dispense with Reading Minutes

The motion carried. (Exhibits 4333)

Approved

Chairman Johansson offered the following resolution for Docket No. CI- Section 522(b) Concept Proposal 140 02-10-16 01, which was seconded:

Concept Proposal 140

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 in to 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 140 02-10-16 01, Exhibit 4334, the Board approves the advance payment of \$145,068 for Concept Proposal 140 as authorized under section 522(b) of the Federal Crop Insurance Act.

By approving the advance payment of estimated research and development expenses, the Board is not approving or endorsing the estimated hours, wage rates, or costs requested by the submitters. The submitters will be required to prove that all costs are necessary and reasonable.

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 October, 2016 submission period.

There being no discussion the Board voted to approve the resolution. (Exhibit 4334)

Approved

Chairman Johansson offered the following resolution Docket No. CI – Section 508(h) Confidential Submission 0054 02-10-16 01, which was seconded:

Confidential  
Submission 0054

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 0054 02-10-16 01, Exhibit 4335, the Board approves expert review for Confidential Submission 0054 as revised as discussed in Executive Session and accepted by the Manager 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 the Confidential Submission 0054 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 4335)

Approved

The Chairman offered the following resolution which was seconded for Docket No. CI – Section 508(h) Confidential Submission Pulse Crop Revenue Modification 02-10-16 01:

Section 508(h)  
Pulse Crop  
Revenue  
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 Pulse Crop Revenue Modification 02-10-16 01, Exhibit 4336, the Board approves the changes relating to the submission of data to RMA and the release of such information and sending the

remaining proposed changes as presented during Executive Session to expert review for Confidential Submission Pulse Crop Revenue Modification 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 the Confidential Submission Pulse Crop Revenue Modification 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 4336)

Approved

The next action item before the Board was Docket No. CI-Actual Revenue History Strawberry Insurance Program 02-10-16 01 which was seconded:

ARH Strawberry

RESOLVED, that pursuant to the information contained in Docket No. CI-Actual Revenue History Strawberry Insurance Program 02-10-16 01, Exhibit 4337, as well as other related materials that may have been submitted to the Board for consideration and discussion on this matter, the Board approves the continuation for an additional two years and expansion of the ARH Strawberry Pilot Crop Insurance Program, with reinsurance, risk subsidy, and administrative and operating subsidy in amounts and under such terms and conditions as determined appropriate by the Manager under the authority contained in section 522(c) and 523(a)(4) of the Federal Crop Insurance Act (7 U.S.C. 1523(a)(4)). 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.

There being no discussion the Board voted to approve the resolution. (Exhibit 4337)

Approved

The Chair then stated that Docket No. CI- Concept Proposal and Index-Based Weather Procedures 2-10-16 01, Exhibit 4338 was tabled.

Concept Proposal  
and Weather  
Procedures  
Tabled

