

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 3-5, 2015 in Washington, DC. The public was invited to attend the open session portion of the meeting.

Meeting
February 3-5,
2015

The meeting was called to order at 1:15 pm, February 3, 2015, 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

During the executive session on February 3, 2015 acting Chairman Brandon Willis called for a motion to elect a new Chairperson as that position had become vacant due to Dr. Joseph Glauber's retirement from USDA. A motion was offered and was seconded to select Dr. Robert Johansson, Acting Chief Economist as Chairman to the FCIC Board of Directors.

Chairman
Selection
Dr. Robert
Johansson

The motion was approved. (Exhibit 4275)

Approved

The open session of the Board reconvened at 1:30 pm February 5.

Reconvene Open
Session

Kim Arrigo 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

Chairman Robert Johansson, Acting Chief Economist, USDA requested Board members to introduce themselves. Present were; Michael Scuse, Under Secretary for FFAS, 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 Gannon, Tim Witt and Thomas Worth, RMA;

Kim Arrigo, Office of the General Counsel; Joe Glauber, former FCIC Board Chair and USDA Chief Economist; Clif Parks, AgriLogic and Josh and Jeff Donoho, Donoho Insurance Agency. Present by phone were Tim Hoffmann, Leiann Nelson, Bill Bing, Ron Lundine and Sydnee Chattin, RMA and Alex Offerdahl, Watts and Associates.

Chairman Johansson 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) and it reports on several Farm Bill items.

Manager's Report

Hearing no objection, Dr. Johansson agreed to dispense with a reading of the Manager's Report. (Exhibit 4276)

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 19, 2014.

Dispense with Reading Minutes

The motion carried. (Exhibits 4263)

Approved

The Chair stated that the next action item Docket No. CI-Section 522(b) Concept Proposal 134 02-05-15 02, Exhibit 4264, was withdrawn by the submitter.

Concept Proposal 134
Withdrawn

Chairman Johansson offered the following resolution Docket No. CI – Section 522(b) Concept Proposal 135 02-05-15 01, which was seconded:

Concept Proposal 135

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 135 02-05-15 01, Exhibit 4265, the Board approves the advance payment of \$125,277 for Concept Proposal 135, 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 submitter. The submitter will be required to prove that all costs

are necessary and reasonable.

By accepting the advance payment, the applicant agrees to provide a submission consistent with section 508(h) of the Act.

There being no discussion the Board voted to approve the resolution. (Exhibit 4265)

Approved

Chairman Johansson offered the following resolution Docket No. CI–Section 522(b) Concept Proposal 136 02-05-15 01, which was seconded:

Concept Proposal
135

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 136 02-05-15 01, Exhibit 4266, the Board approves expert review for the Concept Proposal 136 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 136 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 4266)

Approved

The Chair stated that the next action item Docket No. CI–Section 522(b) Concept Proposal 137 02-05-15 01, Exhibit 4267, was withdrawn by the submitter.

Concept Proposal
137
Withdrawn

The Chairman then offered the following resolution for Docket No. CI–Section 508(h) Confidential Submission 0047 02-05-15 01 which was seconded:

Confidential
Submission 0047

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 0047 02-05-15 01, Exhibit 4268, the Board approves expert review for Confidential Submission 0047 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 0047 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 4268)

Approved

The Chair noted that Docket No. CI–Section 508(h) Confidential Submission 0052 02-05-15 01, Exhibit 4269 was tabled at the request of the submitter.

Confidential
Submission 0052
Tabled

The Chairman offered the following resolution which was seconded for Docket No. CI-Section 508(h) Confidential Submission 0053 02-05-15 01:

Confidential
Submission 0053

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 0053 02-05-15 01, Exhibit 4270, the Board approves expert review of Confidential Submission 0053 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 Confidential Submission 0053 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 4270)

Approved

Chairman Johansson offered the following resolution for Docket No. CI-Section 508(h) High Risk Alternative Coverage Modification 02-05-15 01 which was seconded:

High Risk
Alternative
Coverage

RESOLVED, that pursuant to the information contained in Docket No. CI-Section 508(h) High Risk Alternative Coverage Modification 02-05-15 01, Exhibit 4271, as well as other material that were submitted to the Board on this matter, the Board hereby approves the High Risk Alternative Coverage Modification based on the revision and subject to the matters raised in Executive Session, beginning with the first 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. 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 4271)

Approved

The High Risk Alternative Coverage modification approval allows a producer to select an enterprise unit on high-risk land only if an enterprise unit was also selected on the non-high-risk land.

The Chair then offered the following resolution for Docket No. Section 508(h) Submission Annual Forage Modification 02-05-15 01, which was seconded:

5089(h) Annual
Forage
Modification

RESOLVED, that pursuant to the information contained in Docket No. Section 508(h) Submission Annual Forage Modification 02-05-15 01, Exhibit 4272, as well as other material that were submitted to the Board on this matter, the Board hereby approves the Annual Forage Modification, as discussed with the submitter, 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. 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 4272)

Approved

The modification to the Annual Forage refers to a change in the pricing methodology.

Docket No. CI- Rainfall Index/Vegetation Index Pasture, Rangeland, Forage Modifications 02-05-15 01 was the next action item before the Board. The Chair offered the following resolution which was seconded:

Rainfall
Index/Vegetation
Index Pasture,
Rangeland,
Forage
Modifications

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- Rainfall Index/Vegetation Index Pasture, Rangeland, Forage Modifications 02-05-15 01, Exhibit 4273. the Board approves expert review for Rainfall Index/Vegetation Index Pasture, Rangeland, Forage Modifications 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 Rainfall Index/Vegetation Index Pasture, Rangeland, Forage Modifications, 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 4273)

Approved

The Chair then offered the following resolution for Docket No. CI – Removal of County Crop Programs 02-05-15 01 which was seconded:

County Crop
Programs

RESOLVED, That Docket No. CI – Removal of County Crop Programs 02-05-15 01, Exhibit 4274, authorizing the Federal Crop Insurance Corporation to delete six county crop insurance programs for the counties and crops listed in the attachment, effective for the 2016 crop year as applicable, since FCIC has determined that these programs have had no participation

reported between crop years 2010 and 2014 or had excessive risks.

There being no discussion the Board voted to approve the resolution. (Exhibit 4274)

Approved

Chairman Johansson then thanked retired Chairman Dr. Joseph Glauber for his seven years of service from 2008 – 2014. He noted that his expertise and leadership will be greatly missed. On behalf of the Board, Chairman Robert Johansson, Under Secretary Michael Scuse and FCIC Manager and RMA Administrator Brandon Willis presented a plaque to Dr. Joseph Glauber in appreciation of his dedicated service to the FCIC Board.

There being no further business to come before the Board voted to adjourn and to meet again May 5 -7, 2015, in Washington, DC.

Adjourn

February 5, 2015

/signed/

Cindy Spoor, Secretary
Federal Crop Insurance Corporation