

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 August 9, 2017, in Washington, DC. The public was invited to attend the open session portion of the meeting.

Meeting
August 9, 2017

The meeting was called to order at 11:15 am, August 9, 2017, 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 section 508(h) of the Federal Crop Insurance Act (Act).

Executive Session

Open session of the Board reconvened at 3:45 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, constituting a statutory quorum, and Robin Anderson, Secretary, FCIC.

Present

Also present were Robert Ibarra, Richard Flournoy, Tom Worth, Ron Lundine, Robert Ebel, Griffin Schnitzer, and Leiann Nelson from RMA; David Grahn, Kim Arrigo and Isabel Rosa from the Office of the General Counsel; Clif Parks and Keith Schumann, AgriLogic LLC; Sergio Lence, Iowa State University; Rodney Williamson, Iowa Corn Growers Association; and Allen Yeatts, American Farm Bureau Insurance Services.

Present by phone were; Heather Manzano, Acting Manager, FCIC; Madilyn Munez, AgriLogic LLC; Tara Ponds, Terrence Katzer, Chandra Mason, Michael Ciliege, Monte Grosby, Julie Swigart, Robert Dubois, Jeremy Fredrickson, Scott Merryman, Jennie Yan, Tim Hoffman, Lane Webb, Anna Parker, Cody Lovercamp, Pamela Stahlke, James Shelton, and Ryan Seely from RMA.

Chairman Johansson asked Robert Ibarra for the Manager's Report. Mr. Ibarra 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 4419)

Dispense with Reading Report

A motion was made and seconded to dispense with the reading of the Minutes and to approve the Minutes (Exhibit 4420) of the meeting of the Board held on May 24, 2017.

Dispense with Reading Minutes

The motion carried. (Exhibit 4420)

Approved

The next agenda item was Docket No. CI-Section 522(b) Concept Proposal 142 08-09-17 02, which was seconded:

Concept Proposal 142

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 142 08-09-17 02, Exhibit 4421, the Board approves the advance payment of \$210,000.00 for Concept Proposal 142 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 January 2018 submission period.

There being no discussion, the Board voted to approve the resolution. (Exhibit 4421)

Approved

Docket No. CI-Section 508(h) Confidential Submission 0067 08-09-17 01, was tabled as requested by the submitters. (Exhibit 4422)

Confidential
Submission 0067
Tabled

The next agenda item was Docket No. CI-Section 508(h) Confidential Submission 0065 08-09-17 02, which was seconded:

Confidential
Submission 0065

RESOLVED, that pursuant to the information contained in Docket No. CI-Section 508(h) Confidential Submission 0065 08-09-17 02, Exhibit 4423, as well as other materials that were submitted to the Board on this matter, the Board hereby approves Confidential Submission 0065, 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. One Board Member did not vote. (Exhibit 4423)

Approved

Chairman Johansson offered the following resolution Docket No. CI-Section 508(h) Confidential Submission 0064 08-09-17 02, which was seconded:

Confidential
Submission 0064

RESOLVED, that pursuant to the information contained in Docket No. CI-Section 508(h) Confidential Submission 0064 08-09-17 02, Exhibit 4424, as well as other materials that were submitted to the Board on this matter, the Board hereby approves Confidential Submission 0064, 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. One Board Member did not vote. (Exhibit 4424)

Approved

Chairman Johansson offered the following Docket No. CI-Section 508(h) Confidential Submission 0059 08-09-17 02, which was seconded:

Confidential
Submission 0059

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 0059 08-09-17 02, Exhibit 4425, the Board approves expert review for Confidential Submission 0059, and directs that the Manager of the Corporation be authorized to take such action as necessary to enter in to 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. One Board Member voted against approving for expert review. (Exhibit 4425)

Approved

Chairman Johansson offered the following resolution Docket No. CI- Whole Farm Revenue Protection Modification 08-09-17 01, which was seconded:

Whole Farm
Revenue
Protection
Modification

WHEREAS, Section 505(e) of the Federal Crop Insurance Act (Act) requires the Board to approve the implementation 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:

