

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 May 24, 2017, in Washington, DC. The public was invited to attend the open session portion of the meeting.

Meeting
May 24, 2017

The meeting was called to order at 8:30 am, May 24, 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 the Federal Crop Insurance Act (Act).

Executive Session

Open session of the Board reconvened at 1:00 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 Heather Manzano, Acting Manager, FCIC, constituting a statutory quorum, and Robin Anderson, Secretary, FCIC.

Present

Also present were Robert Ibarra, Richard Flournoy, Tom Worth, Ron Lundine, Tim Hoffman, Robert Ebel, Kale Horton, Griffin Schnitzer, and Leiann Nelson from RMA; David Grahn, Kim Arrigo and Isabel Rosa from the Office of the General Counsel; Warren Preston, Chief Economist Office, USDA; Amanda Drewer and Rafael Costa, AgriLogic LLC; and Robert Cerda, Crop Insurance Systems.

Present by phone were Kenneth Sneed, Board Member; Keith Schumann, AgriLogic LLC; Tara Ponds, Terrence Katzer, Chandra Mason, Wilma Davis, Michael Ciliege, RMA; and Velerie Eddleman, FSA.

Chairman Johansson asked Heather Manzano for the Manager's Report. Mrs. Manzano 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 4408)

Dispense with
Reading Report

A motion was made and seconded to dispense with the reading of the Minutes and to approve the Minutes (Exhibit 4409) of the meeting of the Board held on February 15, 2017.

Dispense with
Reading Minutes

The motion carried. (Exhibit 4409)

Approved

The next agenda item was Section 508(h) Confidential Submission 0062, which the Chair noted was tabled as requested by the submitters. (Exhibit 4400)

Confidential
Submission
0062
Tabled

The next agenda item was Docket No. CI-Section 508(h) Confidential Submission 0064 05-24-17 01, which was seconded:

Confidential
Submission 0064

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 0064 05-24-17 01, Exhibit 4410, the Board approves expert review for Confidential Submission 0064, as discussed in Executive Session, 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 4410)

Approved

Chairman Johansson offered the following resolution Docket No. CI Section 508(h) Confidential Submission 0065 05-24-17 01, which was seconded:

Confidential
Submission 0065

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 0065 05-24-17 01 Exhibit 4411, the Board approves expert review for Confidential Submission 0065, 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 4411)

Approved

Chairman Johansson offered the following resolution Docket No. CI Section 508(h) Confidential Submission 0066 05-24-17 01, which Was seconded:

Confidential
Submission 0066

RESOLVED, that pursuant to the information contained in Docket No. CI-Section 508(h) Confidential Submission 0066 05-24-17 01, Exhibit 4412, as well as other materials that were submitted to the Board on this matter, the Board hereby approves Confidential Submission 0066, 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 4412)

Approved

Chairman Johansson offered the following resolution Docket No. CI-Section 508(h) Submission Machine Harvested Cucumbers User Fee Request 05-24-17 02, which was seconded:

Machine
Harvested

RESOLVED, that pursuant to the information contained in Docket No. CI-Section 508(h) Submission Machine Harvested Cucumbers User Fee Request 05-24-17 02, Exhibit 4413, as well as other material that were submitted to the Board on this matter, the Board hereby approves the user fee of 2.2 percent, up to an annual maximum of \$40,000, as submitted, to be applied as a percent of premium for the Machine Harvested Cucumber plan of insurance beginning with the 2018 insurance 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, is hereby approved. 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.

Cucumbers User
Fee Request

There being no discussion, the Board voted to approve the resolution. (Exhibit 4413)

Approved

Chairman Johansson offered the following Docket No. CI-Section 522(b) Concept Proposal 142 05-24-17 01, which was seconded:

Concept Proposal
142

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 142 05-24-17 01 Exhibit 4414, the Board approves expert review for Concept Proposal 142, 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 4414)

Approved

Chairman Johansson offered the following resolution Section 508(h) Submission Yield Based Dollar Amount of Insurance Hybrid Sweet Corn Seed Crop Insurance Program Modification 05-24-17 01, which was seconded:

Submission Yield
Based Dollar
Amount of
Insurance Hybrid

RESOLVED, that pursuant to the information contained in Docket No. CI-Section 508(h) Submission Yield Based Dollar Amount of Insurance Hybrid Sweet Corn Seed Crop Insurance Program Modification 05-24-17 01, Exhibit 4415, as well as other materials that were submitted to the Board on this matter, the Board hereby approves Yield Based Dollar Amount of Insurance Hybrid Sweet Corn Seed Crop Insurance Program Modifications, 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.

Sweet Corn Seed
Crop Insurance
Program
Modification

There being no discussion, the Board voted to approve the resolution. (Exhibit 4415)

Approved

Chairman Johansson offered the following resolution Docket No. CI - Approved Procedures for Reimbursements and Determination of Reasonableness Related to Reimbursement Expenses for Concept Proposals, 508(h) Submissions, and User Fee Requests 05-24-17 02, which was seconded:

Approved
Procedures for
Reimbursements
and Determination
of
Reasonableness
Related to
Reimbursement
Expenses for
Concept
Proposals, 508(h)
Submissions, and
User Fee
Requests

RESOLVED, that pursuant to the information contained in Docket No. CI - Approved Procedures for Reimbursements and Determination of Reasonableness Related to Reimbursement Expenses for Concept Proposals, 508(h) Submissions, and User Fee Requests 05-24-17 02, Exhibit 4416 as well as other materials that were submitted to the Board on this matter, the Board hereby approves the Approved Procedures for Reimbursements and Determination of Reasonableness Related to Reimbursement Expenses for Concept Proposals, 508(h) Submissions, and User Fee Requests 05-24-17 02. AND BE IT FURTHER RESOLVED: That the Board delegates to the Manager the authority to make technical changes as are necessary.

There being no discussion, the Board voted to approve the resolution. (Exhibit 4416)

Approved

Chairman Johansson offered the following resolution Docket No. CI - Modifications to the Approved Procedures for Submission of Concept Proposals Seeking Advance Payment of Research and Development Costs 05-24-17 01, which was seconded:

RESOLVED, that pursuant to the information contained Docket No. CI - Modifications to the Approved Procedures for Submission of Concept Proposals Seeking Advance Payment of Research and Development Costs 05-24-17 01, Exhibit 4417, as well as other materials that were submitted to the Board on this matter, the Board hereby approves the Modifications to the Approved Procedures for Submission of Concept Proposals Seeking Advance Payment of Research and Development Costs 05-24-17 01. AND BE IT FURTHER RESOLVED: That the Board delegated to the Manager the authority to make technical changes as are necessary.

There being no discussion, the Board voted to approve the resolution. (Exhibit 4417)

Chairman Johansson offered the following resolution Section 505(e) Approve an Expanded List of Reviewers 05-24-17 01, which was Seconded:

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 modification of a policy or plan of insurance proposed to be offered under the Act by persons experienced as actuaries and in underwriting, NOW THEREFORE BE IT RESOLVED: That the list of approved expert reviewers be amended to add an actuary reviewer, Mr. Lawrence Williams.

There being no discussion, the Board voted to approve the resolution. (Exhibit 4418)

Concept Proposals and privately developed products submitted to the Federal Crop Insurance Corporation under section 508(h) of the Federal Crop Insurance Act submitted before August 12, 2016 are to follow the revised Submission Regulations that were published August 12, 2016 with one exception. These submissions are not required to include an AIP as part of the 'applicant' owner.

Modifications to the Approved Procedures for Submission of Concept Proposals Seeking Advance Payment of Research and Development Costs

Approved

Approve an Expanded List of Reviewers

Approved

Sense of the Board

The Board also reminds private product submitters that, in accordance with section 400.705, modifications to existing private products require a complete submission. This means that all items in section 400.705 must be provided in the submission asking for modification. Additionally, the Board Reasonableness procedures apply to all submissions, including submissions that modify already approved private products. Expected and actual budgets showing costs that will ultimately be requested to be reimbursed must be included with each submission in accordance with the applicable procedures.

If any submitter has any question regarding the required contents of concepts, submissions or budgets, they should contact Leiann Nelson at leiann.nelson@rma.usda.gov.

There being no further business the Board voted to adjourn and to meet again August 8-10, 2017, in Washington, DC.

May 24, 2017

Robin Anderson, Secretary
Federal Crop Insurance Corporation