

INDIANA GRAIN INDEMNITY BOARD

OFFICIAL MEETING MINUTES

Chairman Robert Benson called the annual meeting of the Indiana Grain Indemnity Corporation Board of Directors to order at 10:04 a.m. on May 29, 2002. The meeting was held in the Butler Room on the second floor of the Indiana Farm Bureau Corporate Headquarters located at 225 South East Street, Indianapolis, Indiana.

PRESENT: The following voting members were present:

John Colvin	Atlee Oyler	Lee Rulon
Roger Hadley II	Fred Reichart	William Tudor
Lynn Lykins	Jerry Rulon	Don Villwock

The nonvoting member or their representatives present were:

Robert Benson, Director of Indiana Grain Buyers & Warehouse Licensing Agency
Duane Jasheway, representative of the Treasurer of state
Larry Hopkins, representative of the Attorney General

ABSENT: Herman Rettinger, voting member

RESOURCE The following resource people were present:

STAFF:

Dennis Henry	Cress Hizer
Richard Rowley	John Steinhart

First order of business was introductions of Board members and guests. Additional present were:

Greg Noble, former board member
Chad Frahm, Farm Bureau legal intern
Jeff Belamy, Farm Bureau legal intern
Megan Kuhn from Farm World and Lisa Shermant-Shelton from Indiana Agri News

BOARD

APPOINTMENTS: With the schedule of staggered terms of office, two (2) board member's terms had expired. Letters were mailed to the appointing organizations. The Indian Corn Growers Association re-appointed Jerry Rulon to an additional four (4) year term. The Indian Grain and Feed Assn appointed Fred Reichart to replace Greg Noble for a four (4) year term.

Vice Chairman Don Villwock presented Greg Noble a plaque of appreciation for his service with the Indiana Grain Indemnity Corporation. On behalf of Joseph E. Kernan, Lt. Governor and Commissioner of Agriculture, Robert Benson presented to Greg Noble a certificate of appreciation.

Chairman Benson stated that there was a quorum present.

MINUTES: Since copies of the minutes of the previous meeting (November 30, 2001) were mailed to board members, W. Tudor moved to dispense with the reading of the minutes and approve them as written. (Second from R. Hadley) *The minutes of the November 30, 2001, meeting were approved as written.*

FINANCIAL: The next order of business was the financial report prepared by Duane Jasheway on April 30, 2002, disclosing a fund balance of \$13,213,485.97. Along with the balance sheet was a statement of operation and a listing of fund investment information. Copies were distributed (Exhibit A). D. Villwock asked the average rate of return, which D. Jasheway answered that the fund is averaging approximately 2% yield. Motion by D. Villwock was made to accept the financials as they were presented. (Second from J. Colvin) *The motion was carried and the financial statements were approved.*

Motion by J. Rulon that \$13,213,485.97 is certified as the fund balance as of May 1, 2002. (Second from A. Oyler) *The amount of the fund on May 1, 2002 was certified to be \$13,213,485.97.*

COMMITTEE: The nominating committee consisting of H. Rettinger, Chair, W. Tudor and R. Hadley. W. Tudor presented report. Nominations were as follows:

Don Villwock for Vice President
Roger Hadley as Secretary/Treasurer

Chairman Benson asked for additional nominations from the floor. He noted that the bylaws state that the Secretary and Treasurer can be the same person.

J. Rulon made a motion that the nominations be closed and that the officers be elected by acclamation. (Second by J. Colvin) ***Motion carried and the nominees were elected to their appropriate offices.***

NEW BUSINESS: An executive committee of Chairman Benson, D. Villwock and G. Noble reported that they reviewed and updated the corporation's brochures. Chairman Benson commented that these brochures are now available from the agency and are also on the corporation's website.

OLD BUSINESS: R. Benson notified the Board that the administrative rules would no longer be in effect January 01, 2003 if no action is taken. He then turned the floor over to legal council, Richard Rowley, who stated that according to statute, all administrative rules must be re-adopted after every seven (7) years. He then passed out a timeline (Exhibit B) for the process of rules re-adoption. R. Rowley went over some of the proposed changes:

1. Section 825 IAC 1-1-5 to be removed, it is already defined in the statute;
2. Rule 5 is not currently applicable with the recent changes in the statute. This section will be renamed, "Reentry into the Program";
3. Sections 825 IAC 1-5-1 and 825 IAC 1-5-2 to be deleted from rules.

A motion was made to accept these changes as proposed by J. Rulon. (Second by J. Colvin) ***The motion was carried and the proposed changes will be made to the rules. Rules will be drafted and circulated to the Board for comments.***

COMMENTS: Comments were made regarding budget cuts. C. Hizer noted issues focused on during the latest legislative session. There was talk around the table regarding catastrophic insurance. It was mentioned to the Corporation to possibly partner in a risk management seminar targeting growers.

The meeting adjourned at 11:15 a.m. (motion from D. Villwock, second from R. Hadley).

Claim forms and travel vouchers submitted by:

Roger Hadley	\$131.20	mileage & per diem	Jerry Rulon	\$69.60	mileage & per diem
Lynn Lykins	\$83.60	mileage & per diem	Lee Rulon	\$71.28	mileage & per diem
Atlee Oyler	\$86.40	mileage & per diem	William Tudor	\$66.80	mileage & per diem
Herman Rettinger	Absent		Don Villwock	\$50.00	per diem

John Colvin & Fred Reichart did not wish to make claim for reimbursement of expense.

Respectfully submitted by Dennis Henry on May 31, 2002.

Exhibit A

INDIANA GRAIN INDEMNITY CORPORATION
BALANCE SHEET
4/30/02

ASSETS

Cash	\$ 51,521.48
Investments	<u>13,161,964.49</u>
Total Assets	\$ <u>13,213,485.97</u>

LIABILITIES AND FUND BALANCE

Fund Balance	<u>\$ 13,213,485.97</u>
Total Liabilities and Fund Balance	\$ <u>13,213,485.97</u>

INDIANA GRAIN INDEMNITY CORPORATION
STATEMENT OF OPERATIONS
FOR THE TEN MONTHS ENDING APRIL 30, 2002

Revenues:

Investment Interest	<u>\$ 400,079.40</u>
Total Revenues	<u>400,079.40</u>

Expenses:

Bank Charges	1,986.81
Travel	644.66
Inter-Dept Billings	52.46
Total Expenses	<u>2,683.93</u>
Net Income	397,395.47
Fund Balance, 07/01/01	<u>12,816,090.50</u>
Fund Balance, 4/30/02	<u>\$ 13,213,485.97</u>

Exhibit A Continued

Fund Lisc. Type = TF
From 05/01/2002 thru 12/31/2010

Inv. No.	Investment # / Institution	CO	Purchase Date	Maturity Date	Par Original Cost	Coupon Yield	Interest Amount	Fund / Center	TOS #
61210	PRODUCER-PREMIUM FD. TOWER BANK & TRUST CO.	02	11/29/01	05/30/02	885,000.00 885,000.00	2.4600 2.4600	11,006.45	6990-100400	146
61248	PRODUCER-PREMIUM FD. FLAGSTAR BANK	99	02/21/02	05/23/02	1,000,000.00 1,000,000.00	2.0000 2.0000	5,055.56	6990-100400	146
***** CERTIFICATE OF DEPOSIT TOTAL *****									
					1,885,000.00	2.2160	16,062.01		
35070	PRODUCER PREM. FUND BANK OF NEW YORK	00	03/12/02	06/20/02	6,291,000.00 6,260,658.16	1.7600 1.8240	29,833.52	6690-100400	146
***** TREASURY BILL TOTAL *****									
					6,291,000.00	1.7600	29,833.52		
35027	PRODUCER-PREMIUM FD. BANK OF NEW YORK	00	02/20/02	05/16/02	5,037,000.00 5,016,306.33	1.7400 1.7710	20,693.68	6990-100400	146
***** GOVERNMENT AGY. DISCOUNT NOTES TOTAL									
					5,037,000.00	1.7400	20,693.68		
***** TOTAL FOR FUND CODE *****									
					13,213,000.00	1.8174	66,589.01		
					13,161,964.49	1.8597			

Exhibit B

**INDIANA GRAIN INDEMNITY CORPORATION
Indiana Administrative Code
Rule Readoption Timeline (2002)**

<u>July</u>	<u>September</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
Notice of Intent To Readopt Rule Published in Indiana Register	Proposed Rule Published in Indiana Register	Public Hearing Held	Proposed Rule Submitted To Attorney General For Review	Proposed Rule Submitted to Governor For Review	Final Rule Submitted To Secretary of State