

**GRAIN INSURANCE FUND STUDY  
STATE OF ORIGIN  
(AS OF 5/20/02)**

<b>REGULATORY AGENCY</b>	<b>INVESTMENT OF FUND</b>	<b>UTILIZE FUND TO PAY ADMINISTRATIVE COSTS</b>	<b>HOW TO ESTABLISH CLAIMS AGAINST THE FUND</b>	<b>TIME LIMIT FOR FILING CLAIMS</b>	<b>TIME LIMIT FOR PAYMENT OF CLAIM TO GRAIN INSURANCE BODY</b>
<b>ID</b>	State Treasurer	Totally support the exam program, with a maximum that can be used of \$250,000 for warehouse and \$125,000 for seed, however if justified more can be used	Claims filed with the department for certification	30-60 days after notification, but additional 30 days with cause	Policy: 180 days from the time of the failure
<b>IL</b>	State Treasurer	No	Written notice to Dept. of Ag Board - approves disbursement	90 days from date of failure	120 days from date of failure after claim is adjudicated valid
<b>IN</b>	State Treasurer	No	Claims hearing and report by agency. Board reviews & approves payment.	1 year after notice published by board of a failure	within 90 days of the board's approval of claim.
<b>IA</b>	State Treasurer	Yes	Department reviews - Board approves	120 days after license revoked	As soon as Board approves
<b>KY</b>	State Treasurer	No	Dept. reviews claims & amts. Board reviews & approves payment	One year from the time the claimant receives actual notice	90 days after claim is adjudicated valid
<b>MI</b>	State Treasurer	No	Dept. reviews and validates claims	No	90 days after the claim is valid
<b>NY</b>	State Comptrollers Office	Yes, 5%	Written claim within prompt payment provisions	One year from the expiration of license period.	14 days from the date of submission to State Comptrollers Office
<b>OH</b>	State Treasurer	Yes, pay administration expenses out of accrued interest	Commission reviews and approves claims	Must file within 6 months of time of dishonoring claim; must request payment within 1 yr. of pricing.	90 - 120 days after found insolvent
<b>OK</b>	State Treasurer	\$50,000/year	Agriculture Board reviews and approves claims	60 days from closing date with possible 60 day extension	Paid within 1 year of date of loss (closing date)
<b>ONTARIO</b>	Grain Board (Industry)	Partial	Written claims to Grain Board	30 days following date claim arose	Not specified
<b>SC</b>	State Treasurer	No	Department reviews, validates, and approves payment	GD-90 days from date of loss GP-90 days from date of loss WR-60 days from notification by Department	GD-30 days from date approved GP-30 days from date approved WR-90 days from date approved
<b>TN</b>	State of Tennessee	Yes as of 7/1/96	Dept. reviews claims & amounts. Board reviews & approves payment.	Notification to dept. in writing within 160 days of date of dale or re-delivery. If not paid, in case of deferred pricing, notice must be received within 270 days of delivery of grain	Within 90 days of Board approval
<b>WA</b>	State Treasurer	No	Written claim to the Ag. Advisory Committee	30 days after notification	Not specified

REGULATORY AGENCY	SUBROGATION PROVISION OF CLAIM TO GRAIN INSURANCE BODY	PENALTY FOR FAILURE TO CONTRIBUTE	WHO PARTICIPATES IN THE FUND	METHOD OF FUNDING	LEVEL OF FUNDING
<b>ID</b>	Yes	Loss of license, plus penalty of 5% per month to maximum of 25% unless the report was zero than a flat penalty of \$100	Paid by producers - collected & submitted by warehouse & commodity dealers	Two tenths of 1%(.002) of gross value at first sale (increased to statutory maximum) for "commodity", five tenths of 1%(.005) of gross value due producer for seed.	Minimum - \$250,000 Maximum - \$12,000,000
<b>IL</b>	Yes	Loss of license	All grain dealers and state and federal grain warehouses	Assessment based upon grain purchases and storage capacity	Annual assessments stop once equity in fund exceeds \$3 million
<b>IN</b>	Yes	Class A misdemeanor; pay monies owed to fund.	Grain producers pay; warehousemen & buyers deduct from all settlements & remit to board <b>quarterly</b>	Producers charged .2%(two-tenths) of the price on all grain sold in; they can request a refund.	Caps at \$10,000,000.00, board reinstates collections when balance drops to \$5,000,000.
<b>IA</b>	Yes	Fine, Loss of license	Grain dealers, State licensed warehouse operators	On purchased grain, one-quarter cent/bushel at time of first sale	Minimum - \$3 million Maximum - \$6 million Stops at \$6 million
<b>KY</b>	Yes	Contributions are mandatory with refund provisions	Grain Producers	One-half cent per bushel on all commodities at the time of sale.	Checkoff stops at \$3 million
<b>MI</b>	Yes	License revocation	All grain licensees (dealers & warehousemen) No exemption of federal licensed dealers	One-tenth of 14 of the value of the commodity sold at the time of the sale - dealer pays	Min. - \$3 million Max. - \$5 million stops at \$5 million
<b>NY</b>	Yes	License denied	All licensees except those who choose full surety (90% of annual purchases)	Suspended fund is at \$4 million	Min. - \$1 million Max. - \$4 million
<b>OH</b>	Yes	License suspension and/or revocation	Grain handlers and grain warehouses	One-half cent/bushel remitted by licensee	Checkoff stops at \$4 million
<b>OK</b>	Yes	5% penalty licenses suspension or civil penalty (fine)	All warehousemen, federal and state	Two-tenths of one cent per bushel on all commodities to farmers	Minimum - \$1 million Maximum - \$6 million
<b>ONTARIO</b>	Yes	No	Grain producers	Corn 1/10 of 1cent, soybeans 2 cents, Canola 50 cents per metric tonne	No maximum
<b>SC</b>	Yes	GD - 10% penalty and/or license suspension GP-10% penalty WR - Discretionary	GP-producer of the grain GD - all licensed grain dealers WR - all state licensed warehouses (cotton & grain)	GD-2 center per bushel GP-one cent bushel soybeans one-half cent bushel feed grain to producers WR-currently by investment of funds	GP-assessment stops at \$4 million assessments reinstated as necessary GD-assessment stops at \$3 million- interest accrues indefinitely WR-assessment stops at \$1.5 million- interest accrues indefinitely
<b>TN</b>	Yes	No	Grain Producers	14 per bu. on soybeans paid by producer, remitted by licensee. 24 per bu. on all other grain.	Assessment stop at \$3 million Interest accrues indefinitely
<b>WA</b>	Yes	License suspension	Warehousemen and dealers purchasing from producers	License assessment up to 5% of bond requirement	\$3 million

REGULATORY AGENCY	LENGTH OF EXISTENCE	TYPES OF CLAIMS COVERED & MAXIMUM COVERAGE AFFORDED CLAIMANTS	WHO IS AFFORDED COVERAGE?	PRICE LATER CONTRACTS COVERED?	ESTABLISHMENT OF FUND
<b>ID</b>	Effective 7/12/89-commodity Effective 2002-seed	Claims of producers (not common depositors) that are dealing with an Idaho licensed facility. There is no maximum coverage.	Producers only (on Idaho Land only)	Yes 90%, calculated as the lesser of (a) the value at the date of failure, (b) the contract price if a triggering mechanism is stated, (c) the value of the commodity on the date the contract was signed. This requirement is for all types of contracts. There are also requirements as to how the value of the commodity is determined.	Legislators passed effective date of May 1, 1989  July 1, 2002 for the "seed" law.
<b>IL</b>	August 16, 1983 to present	Grain warehousemen 100% - Grain dealers - 100% if sold within 21 days of failure otherwise, 85% to a maximum of \$100,000	Producers, warehouse receipt holders and other depositors	Yes - 85% to maximum of \$100,000	Municipal corporation, body politic
<b>IN</b>	Collections started 7-1-96 to 7/1/98 when it was capped.	Storage = 100% Grain buyer = 80%	Grain producers who paid into fund & did not ask for refund of premium	Yes 80%	Legislature on 7/1/95. Producer premium collections started 7/1/96
<b>IA</b>	Effective 5/15/86	All warehouse (storage) claims GD claims-not including GD'er to GD'er sales or credit sale contracts. All claims covered 90% up to a maximum of \$150,000	Sellers and depositors (sellers = producers only) (depositors - all)	No	Legislature passed effective 5/15/86
<b>KY</b>	July, 1984	Grain warehouse receipts - 100% Open storage - 85% Grain dealers - 80%	Warehouse receipted, unreceipted storage, price later, and grain sales	Yes - 80%	Kentucky Grain Insurance Board
<b>MI</b>	Law enacted 12/88-not yet implemented - contingent upon grower petition and referendum	Grain warehousemen/dealer - 100% of the first \$20,000, 80% thereafter	Producers only. All unpaid grain transactions	Yes	If grower referendum passed-Dept. administered fund
<b>NY</b>	6/1984 to present	All commodities except dairy, eggs and timber, 80% of balance after action on primary surety	Producers	Yes, by primary surety, up to 80% by fund	Department
<b>OH</b>	Collection July 1, 1983 to December 31, 1985	100% storage & payable transaction - delayed pricing 100% 1st \$10,000 - 80% thereafter	Producers & holders of warehouse receipts	Yes - 100% first \$10,000 - 80% thereafter	Advisory Commission Board - Legislative oversees
<b>OK</b>	Since 1980	Grain warehouse only - 100%	Producers - Depositors	No	Board of Agriculture
<b>ONTARIO</b>	September 1984	Corn Producers - 95%, Soya Producers - 90%, Canola Producers - 90%	Producers only	Not covered	Grain Financial Protection Board
<b>SC</b>	GP - 1982 - 1995 GD - 6/20/2000 WR - 1954	GD-100% of claim GP-100% on purchase agreements WR-100% on state warehouse receipts	GD-licensed grain dealers GP-Producers only WR-any holder of state warehouse receipts	GP-yes, 100% GD-Yes, 100% WR-No, NA	Department of Agriculture GD-Ins Reserve Fund of State of SC Budget and Control Board
<b>TN</b>	September 15, 1990	100% on storage, 85% on all other claims	Warehouse receipted, unreceipted storage, price later & grain sales	Yes - 85%	Tenn. Commodity Producer Indemn. Corp.
<b>WA</b>	Law enacted 4/87 - not yet implemented	Grain warehousemen 100% - Grain dealers within 30 days of 1st \$25,000-100%, thereafter 30-90 days -80%; 90 days - 75%	Depositors and producers with valid contracts	see previous	By department after hearing at request of 2/3 of licensees

REGULATORY AGENCY	IS THE FUND BACKED BY THE STATE	UNIQUE CHARACTERISTICS	LICENSING REQUIREMENTS (FINANCIAL)	BALANCE IN THE FUND
<b>ID</b>	No	None	Reviewed 1 to 1 ratio, licensed or CPA - \$50,000 net worth	\$2,000,000 for commodity and 0 for seed
<b>IL</b>	Yes	None	Audited statement, \$50,000 net worth, 1 to 1 current, 3 to 1 debt to equity ratio	\$4.7 million as of 3/1/01
<b>IN</b>	No, board has authority to borrow. Licensees still required to have bond.	All producers dealing with an Indiana grain buyer or warehouseman are covered under the fund as long as they have not requested a refund of premium.	Reviewed level financial statement, 1:1 current ratio. Minimum net worth requirement of \$10,000 to \$50,000 depends on license type; plus additional requirement based on either capacity or bushels purchased.	Fund capped 7/1/98 \$13,000,000 + as of 3/1/02
<b>IA</b>	No	None	Audited or reviewed financial statement-Class I GD - \$75,000 net worth, current ratio 1 to 1, Class II GD-\$37,500 - GW-\$25,000 net worth-min. 254 bushel	\$8,931,626.11 as of 2/28/02
<b>KY</b>	Yes, bonds still needed & used to pay what fund does not pay	None		\$3,400,000.00
<b>MI</b>	No	None	Annual CPA reviewed financial statement-\$50,000 net worth required and 10¢ per bu. up to \$1,000,000	-0-
<b>NY</b>	No	None	Current financial statements	\$4.1 million as of 2/28/2001
<b>OH</b>	<b>No</b>	Ohio program is self-supporting	Review or audit level financial statement, min. net worth increasing to \$50,000, net worth based on bu. handled, 1:1 current ratio	\$7.6 million as of 3/1/2001
<b>OK</b>	Yes, warehousemen are required to buy bond in addition to checkoff	None	Min. \$50,000 net worth required-appraisal of assets-bond required-254 per bu. of capacity up to 4 million -104 per bu. above 4 million	\$5.4 million as of 1/1/02
<b>ONTARIO</b>	No	None	7 financial ratio-s scoring 50/100 to meet financial responsibility bonding or letter of credit for clients not meeting financial responsibility 60% of the highest months purchases	corn \$4,250,000, soybeans \$2,500,000, canola \$550,000
<b>SC</b>	No	Oldest fund - Three funds	GP-scale tickets, contracts GD-no financial statement-surety bond required WR-reviewed financial statement-\$25,000 min. net worth-254 bu./\$12.50 bale - \$25,000 surety bond	GP-\$4,109,161.72 GD - \$123,000.00 Paid out to loan \$461,000.00 WR - \$3,259,476.19
<b>TN</b>	No	None	Required only if the business can waiver to minimum bond	\$3,681,954 as of 12/31/2001
<b>WA</b>	No	None	Audited or reviewed financial statement, min. - net worth -\$25,000, working capital ratio of .9 to 1	N/A

REGULATORY AGENCY	OUTSTANDING CLAIMS	TOTAL CLAIMS FILED	TOTAL CLAIMS PAID FROM THE FUND	TOTAL RECOVERY OF ASSETS TO REPAY THE FUND	FAILURES HAVING CLAIMS SINCE THE INCEPTION OF THE FUND	IS CCC LOAN COVERED BY FUND	IS CCC OWNED COVERED BY FUND
<b>ID</b>	\$17,000 (1)	354	\$6,398,724	<b>\$291.179.15</b>	9	Yes	No
<b>IL</b>	-0-	4,842 for \$92,344,180	\$7.55 million drawn to pay previous claims	\$2,733,807	24	Yes	Yes
<b>IN</b>	-0-	86 claims totaling \$2,382,406.51	80 claims totaling \$1,581,422.57	-0-	7	Yes in producer's name	No
<b>IA</b>	\$2,614.31 as of 2/28/01	<b>1,650 as of 2/28/02</b>	\$11,526,588.32 as of 2/28/02	\$7,575,626.32 as of 2/28/02	44 as of 2/28/02	Yes, individual producers paid for claim, with CCC added to check as a secured party	Yes, 90% up to a maximum of \$150,000
<b>KY</b>	None	\$3,019,083.75	\$2,415,267.68	\$165,593.12	14	Yes, as long as producer retains title to the commodities	No
<b>MI</b>						CCC loan owned not specified, as written	grower coverage only
<b>NY</b>	\$151,422 as of 2/28/01	216 as of 2/28/01	\$1,794,495 as of 2/28/01	0	50 as of 2/28/01	No	No
<b>OH</b>	- 0 -	989	\$4,114,907.20	\$1,241,518.55 plus monthly restitution	30	Yes	Yes (all whse. receipt grain, except federal)
<b>OK</b>	-0-	In excess of \$5.0 million	In excess of \$4.3 million	Approx. \$2,575,000 to date	14	Yes, as long as producer retains title to the commodities	CCC covered by bond
<b>ONTARIO</b>	None	420	\$2,649,903	\$400,000	420	N/A	N/A
<b>SC</b>	None	GD - n/a WR - n/a	GP-\$2,351,897.21 GD - \$3,454,855.10 WR - 1,051,183 since 1982	GP-\$83,510.66 WR - \$646,857.86 since 1982 Info. on WR fund unavailable prior to 1982	GP-95 GD - 9 WR - 15 since 1982	Yes, if state whse. receipts are held	Yes if state whse. receipts are held
<b>TN</b>	None	\$471,230 as of 12/31/2001	\$442,230 as of <b>12/31/2001</b>	\$60,000 as of 12/31/2001	3	Yes	No
<b>WA</b>	N/A	N/A	N/A	N/A	N/A	Yes	Yes