GRAIN INSURANCE FUND STUDY STATE OF ORIGIN (AS OF 6/2/08)

NO RESPONSE FROM NEW YORK NOT UPDATED

REGULATORY AGENCY	INVESTMENT OF FUND	UTILIZE FUND TO PAY ADMINISTRATIVE COSTS	HOW TO ESTABLISH CLAIMS AGAINST THE FUND	TIME LIMIT FOR FILING CLAIMS	TIME LIMIT FOR PAYMENT OF CLAIM TO GRAIN CLAIMANT
ID Contact: Dave Ogden 208-332-8612	State Treasurer	Commodity Indemnity Fund; the accrued interest can be used for the necessary expenses to administer the fund and if the interest amount is insufficient, up to \$250,000 in a given year can be used from the principle for the necessary expenses to administer the fund. Seed Indemnity Fund; the accrued interest plus principle can be used for the necessary fees and expenses to administer the fund.	Claims filed with the department for verification.	30-60 days after notification, but additional 30 days with cause	As soon as the advisory board makes a recommendation to the Director, and the Director issues an order.
IL Contact: Tom Jennings 217-782-5011	State Treasurer	No	Written notice to Dept. of Ag Board - approves disbursement	90 days from date of failure	150 days from date of failure after claim is adjudicated valid
IN Contact: Jerome Hawkins 317-232-1356	State Treasurer	Fund authorized to pay up to \$250,000 annually in administrative costs.	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.
IA Contact: Richard Wahl 515-281-5987	State Treasurer	Yes	Department reviews - Board approves	120 days after "incurrence" which is revocation, termination or cancellation of license, or the filing of bankruptcy.	As soon as Board approves
KY Contact: Tom Bloemer 502-573-0282	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
MI Contact: Jeff Haarer 517-241-2865	Comerica Bank	Allowed up to a max of \$250,000 per year.	Through submission and review by Department and approval by board.	One year after failure notice published	Within 90 days of board approval, unless agreement with producer.

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ND Contact: Susan Richter 701-328-4097	State Treasurer	Any expenses incurred by the Commission in administering the fund are reimbursable from the fund before any other claim is paid.	Claims are filed with and verified by the agency.	45 days after last publication notice.	Not specified.
NY Contact: Peter Pamkowski 518-457-1954	State Comptrollers Office	Yes, 5%	Claims filed with the Department and must be certified	365 days after sale and delivery	14 days from the date of submission to State Comptrollers Office
OH Contact: Adam Boerger 614-728-6410	State Treasurer	Yes, can use up to \$500,000 per fiscal year.	Commission reviews and approves claims	Must file within 6 months of time of dishonoring payment; must request payment within 1 yr. of pricing.	90 - 120 days after found insolvent
OK Contact: Larry Rudebusch 405-522-5891	State Treasurer	\$50,000/year from interest	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)
ONTARIO Contact: Cynthia Meikle 519-826-3949	Grain Board (Industry)	No – only board expenses	Written claims to Grain Board	30 days following date claim arose	Not specified
SC Contact: Carol Fulmer 803-737-9695	State Treasurer	GP: \$100,000 from interest WR: \$50,000 from interest	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
TN Contact: Dan Danielson 615-837-5135	State Treasurer	Yes as of 7/1/96	Dept. reviews claims & amounts. Commissioner 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 approval
WA Contact: Don Potts 509-533-2488	State Treasurer	Yes	Written claim to the Ag. Advisory Committee	30 days after notification	Not specified
WI Contact: Eric Hanson 608-224-4968	State Investment Board	Yes	Claim filed with, and verified by department	Within 30 days of default	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
ID	Yes	Loss of license, plus penalty of 5% per month to maximum of 25%. Collect interest on the unpaid assessment at a rate of 10% per annum until assessments are remitted together with.	Producers (Producer does not include growers that deliver to a facility in which they have a financial or management interest in., except members of a cooperative marketing association. Collected & remitted by warehouse, commodity dealers & seed buyers.	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 – to be maintained between \$10,000,000 and \$12,000,000
IL.	Yes	Loss of license	All state licensees and most federally licensed warehouses.	Grain dealers based upon grain purchases. Warehouse based upon storage capacity. Grain seller assessment \$.0004 net market values of first sales. Lender assessment – No. of bushels on collateral warehouse receipt times variable multiplier.	Seller assessment stop once fund equity exceeds \$2M. All other assessment stop once fund equity exceeds \$6M. If equity falls below \$6M, grain dealer, warehouse and lender assessments are instituted. If equity in fund falls below \$2M, grain seller assessments are instituted.
IN	Yes	Class A misdemeanor; pay monies owed to fund.	Grain producers pay; warehousemen & buyers deduct from all settlements & remit to board quarterly	Producers charged .2%(two-tenths) of the price on all grain sold in; they can request a refund.	Assessments stop at \$10,000,000.00, board reinstates collections when balance drops to \$5,000,000.
ΙΑ	Yes	Fine, Loss of license	Grain dealers, State licensed warehouse operators (Code allows grain dealers to pass on to producers the 1/4¢ per bushel fee)	Fee based on storage capacity and purchases. On purchased grain, one- quarter cent/bushel at time of first sale (except on grain purchased by credit sale contract). The Code allows the grain dealer to pass the 1/4¢ fee on to seller.	Minimum - \$3 million Maximum - \$6 million Stops at \$6 million
КҮ	Yes	Contributions are mandatory with refund provisions	Grain Producers	Every producer, in state or out of state that sells grain in Kentucky must pay assessment charge if fund drops below statutory cap00025 X gross value of grain purchased from producer	Caps at \$4million
МІ	Yes	License revocation and or a misdeamenor	All producers that have not requested to opt out (may re-enter), and have sold farm produce at a licensed facility.	two-tenths of 1% or .002 of all farm produce sold at a licensed grain dealer facility.	Ceiling of \$5million and floor of \$3million
ND	Yes	Class A misdemeanor: possible license suspension or revocation.	Anyone entering into a credit-sale contract is assessed the fee which is collected and remitted by licensees.	An assessment of two-tenth of one percent is placed on the value of all grain sold under a credit-sale contract.	Caps at \$6 million, collections start after fund drops below \$3 million. Effective 8/1/07
NY	Yes	License denied	All licensees except those who choose full surety (90% of annual purchases)	Sliding scale based on purchase volume ranging from \$100 to \$2500.	Min \$1 million Max \$4 million To be operational commission can suspend collection at secured fund fees.
ОН	Yes	License suspension and/or revocation	Grain handlers and grain warehouses Typically passed on to the producers.	One-half cent/bushel remitted by licensee (licensed handlers are allowed to pass this $1/2\phi$ fee to producers)	Checkoff stops at \$10 million, reinstates at \$8 million.

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ок	Yes	5% penalty licenses suspension or civil penalty (fine)	Grain producers	Two-tenths of one cent per bushel on all commodities to farmers	Minimum - \$1 million Maximum - \$6 million
ONTARIO	Yes	No	Grain producers	Corn 1/10 of 1 cent, soybeans 2 cents, Canola 50 cents, wheat 10 cents per metric tonne	No maximum
SC	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-1¢ per bushel GP-1¢ bushel soybeans 1/2¢ bushel feed grain to producers WR-10¢ per bale cotton, 1¢ soy, 1/2¢ other grain	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
TN	Yes	No	Grain Producers	1¢ per bu. on soybeans paid by producer, remitted by licensee. 1/2¢ per bu. on all other grain.	Assessment stop at \$3 million Interest accrues indefinitely
WA	Yes	License suspension	Warehousemen and dealers purchasing from producers	License assessment up to 5% of bond requirement	\$3 million
WI	Yes	License suspension or revocation, for those required to contribute. (Some licensees are disqualified from fund participation and required to file security)	Licensed grain warehouse keepers and grain dealers, except those that are disqualified from participation for failure to meet certain financial requirements. (Some small grain dealers can contribute on a voluntary basis.)	Assessment based on licensed storage capacity, and payments for grain purchased during fiscal year. Assessment rates dependent on current ratio and debt (total liabilities) to equity ratio, if financial statement is required. There are standard rates, if no financial statement filed. \$20 minimum for each license. Payments on deferred payment contracts assessed at \$3.50 or \$2.00 per \$1,000 paid (to be paid by seller)	Grain Warehouse Keepers: Min. \$200,000 \$1million maximum. Grain Dealers: \$1,000,000 Min. \$6 million maximum GW: \$225,000 deficit GD: \$1,700,000 as of 4/30/08

REGULATORY AGENCY	LENGTH OF EXISTENCE	TYPES OF CLAIMS COVERED & MAXIMUM COVERAGE AFFORDED CLAIMANTS	WHO IS AFFORDED COVERAGE?	PRICE LATER CONTRACTS COVERED?	ESTABLISHMENT OF FUND
ID	Effective 7/12/89-commodity Effective 7/1/02-seed	Claims of producers (not common depositors) that are dealing with an Idaho licensed facility. There is no maximum coverage. (Maximum coverage is the same listed under "PL Contract 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. 180 days plus an additional 180 days if the contract is reassigned, not to exceed 365 days from original contract.	Legislators passed effective date of May 1, 1989 July 1, 2002 for the "Seed Indemnity Fund Law"
IL	August 16, 1983 to present	Grain warehouseman: \$1M max. after pro-rata of grain assets. Grain dealer: 100% if sold within 21 days of date of failure, \$1M max.; 85% if sold within 22 days to 160 days from date of failure, \$250K max. Price Later: 85% if sold within 365 days from date of failure, \$250K max.	Producers, warehouse receipt holders, other depositors, and first sellers of grain.	Yes - 85% to maximum of \$250,000 if sold within 365 days from date of failure	Municipal corporation, body politic
IN	Collections started 7-1-96	Storage = 100% Grain buyer = 80% No Cap	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
IA	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
КҮ	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 July 13, 1984
MI	Effective 11/10/03 Assessment start 1/1/05	100% for stored farm produce (retain title) 90% for price later agreements and sold grain	All farm produce transactions covered by grain dealers act.	Yes – 90%	Legislature
ND	August 2003	Each patron's coverage is limited to 80% of their unpaid credit-sale contracts up to a maximum payout of \$280,000.	Producers and licensees entering into credit- sale contracts. Cash claims are covered by bond.	Yes, but limited to 80% of the contract up to a maximum payout of \$280,000 for each insolvency.	Legislature, assessment began 8/2/2003
NY	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 and Legislation as of June 1984
ОН	Reinstitute collection July 1, 2004 until fund balance reached \$10,000,000 Fee waived 7/1/06, \$10,000,000 reached	100% coverage for bailment no limit, 100% coverage for 30 day payables and NSF checks no limit, 100% 1 st \$10,000, 80% any balance for Delay Price, other title transfers, 31-365 day payables. 100% coverage for 1-90 day deferred payment w/signed agreement no limit.	Producers & holders of warehouse receipts	Yes - 100% first \$10,000 - 80% thereafter	Advisory Commission Board – Legislative oversees
ОК	Since 1980	Grain warehouse only - 100%	Producers – Depositors	No	Board of Agriculture

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ONTARIO	September 1984	Corn Producers - 95%, Soya Producers - 90%, Canola Producers - 90% Wheat Producers – 95%	Producers only	Not covered	Grain Financial Protection Board
SC	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
TN	September 15, 1990	100% on storage, no limit 85% on all other claims, limit \$100,000 per claimant	Warehouse receipted, unreceipted storage, price later & grain sales for producers that did not opt out.	Yes - 85%	Tenn. Commodity Producer Indemn. Corp.
WA	Law enacted 4/87 - not yet implemented	Commodity storage claims 100% - Valid Producer Purchase Contracts title passing within: 30 days 1 st \$25,000-100%, 30-90 days- 80%; 90 days and thereafter-75%	Depositors and producers with valid contracts	see previous	By department after hearing at request of 2/3 of licensees
WI	Since September 1, 2002	Grain Warehouse Keepers: For each claimant, 100% of first \$100,000. Grain Dealers: For each claimant, 80% of first \$60,000 plus 75% of amounts in excess of \$60,000.	Producers and producer agents who either (1) deposit grain in a warehouse operated by a state licensed grain warehouse keeper who is not disqualified from contributing to the fund, or (2) sell grain to a state licensed grain dealer who is not disqualified from contributing to the fund. ("Producer agent" means a person who acts on behalf of a grain producer to market or accept payment for the grain producer's grain without taking title to that grain, including a person who uses a producer trust fund to market or accept payment for producer grain.)	Yes, if grain dealer also uses deferred payment and debt (total liabilities) to equity ratio exceeds 4:1 ,grain dealer must file individual security to cover deferred payment contracts.	2001 Wisconsin Act 16; enacted August 30, 2001

REGULATORY AGENCY	IS THE FUND BACKED BY THE STATE	UNIQUE CHARACTERISTICS	LICENSING REQUIREMENTS (FINANCIAL)	BALANCE IN THE FUND
ID	No	None	Reviewed 1 to 1 current ratio, independent licensed or CPA - \$50,000 net worth	\$3,700,000 for commodity \$2,300,000 for seed
IL	Yes None		Audited statement, \$90K net worth, 1 to 1 current, 3 to 1 debt to equity ratio	\$5.34M as of 3/31/08
IN	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.	\$15,023,752.31 as of 3/31/08
IA	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. 25¢ bushel		\$8,196,333 as of 3/31/08	
КҮ	Yes, bonds still needed & used to pay what fund does not pay	None	Certified Financial Statement. Surety based on license type	\$4.5 million
МІ	No	Voluntary fund	Annual CPA reviewed financial statement-\$50,000 to \$1,000,0000 in tangible net worth dependent upon amount of producer grain handled. Bonds for bailment grain, truckers and merchandisers.	\$5.7 million
ND	No, if claims exceed amount in the fund, claims will be prorated and as future assessments are collected, payments will continue until the maximum amount is paid to claimant.	None	No financial statement required	\$6.1 million as of 5/1/08
NY	No	None	Current financial statements	\$4.1 million as of 3/31/06
ОН	No	Ohio program is self-supporting. Allowed to draw up to \$500,000 per fiscal year from fund for administration of the program.	Review or audit level financial statement, min. net worth \$50,000, net worth based on bu. handled, 1:1 current ratio	\$12,024,232.91 as pf 4/25/08
ОК	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	\$8,460,339.75 as of 3/08
ONTARIO	Νο	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 \$5,207,491 Cdn, soybeans \$3,479,808 Cdn, canola \$729,350 Cdn wheat \$1,800,631 Cdn
SC	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- 25ϕ bu./ 12.50 bale - $25,000$ surety bond	GP 4.5 million GD - \$456,713 WR – 3.6 million

REGULATORY AGENCY	IS THE FUND BACKED BY THE STATE	UNIQUE CHARACTERISTICS	LICENSING REQUIREMENTS (FINANCIAL)	BALANCE IN THE FUND
TN	Yes, by loan up to \$1.5 million 42-32-209	All producers dealing with a licensed grain buyer or warehouseman are covered under the fund as long as they have not requested a refund of premium.	Required only if the business can waiver to minimum bond	\$2,450,000 as of 12/31/07
WA	No	None	Audited or reviewed financial statement, min net worth -\$25,000, working capital ratio of .9 to 1	N/A
WI	No	License Fee Credits: If the fund balance contributed by grain warehouse keepers exceeds \$300,000 (\$2million for grain dealers) on June 30 of any license year, the department shall credit 12.5% (50% for grain dealers) of the excess amount against license fees charged to contributing grain warehouse keepers (grain dealers) who file timely license renewal applications for the next license year. Each contributing grain warehouse keeper (grain dealer) will be credited on a pro-rated basis, in proportion to the total license fees he/she paid the 4 preceding license years.	Grain Warehouse Keepers: Reviewed (or audited) financial statement required if capacity of warehouses used to store grain for others exceeds 300,000 bushels. Audited statement required if capacity exceeds 500,000 bushels. Grain Dealers: Reviewed (or audited) financial statement required if payments for grain purchased from producers exceeds \$500,000 (or any deferred payment used) during fiscal year. Audited statement required if payments exceed \$3,000,000 (or \$2,000,000 two consecutive years). Grain Warehouse Keepers or Dealers: If financial statement shows negative equity the first time applying for a license, the applicant/licensee is disqualified from fund participation and must file individual security to obtain the license. Must file 2 consecutive financial statements with positive equity to attain fund participation.	\$8,850,000 of which 60% can be paid out on event of a default.

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
ID	Commodity - \$0 Seed - \$0	403	\$10,238,459 (CIF) \$0 (SIF)	Commodity - \$1,953,601	12	Yes, in producer name	No
IL	\$165,182,435	5,679	\$21,012,804 drawn to pay previous claims	-0- FY 2008 only	82	Yes	Yes
IN	\$0.00	131 claims total: \$3,749,108.10	125 claims totaling \$2,811,750.36	\$222,590.35	8	Yes in producer's name	No
ΙΑ	\$13,477 as of 3/31/08	1,830 as of 3/31/08	\$13,304,053 as of 6/30/07	\$8,616,691 as of 6/30/06	53 as of 3/31/07	Yes, individual producers paid for claim, with CCC added to check as a secured party	Yes, 90% up to a maximum of \$150,000
КҮ	None	\$3,019,083.75	\$2,415,267.68	\$165,593.12	14	Yes, as long as producer retains title to the commodities	No
MI	None	\$1,014,370.55	\$739,225	\$215,000	2	CCC loan owned not specified, as written	grower coverage only
ND	None	\$137,893	\$110,315 (80% max payment)	None	1	No, but it would be covered by the bond.	No, but it would be covered by the bond.
NY	\$2.7 million as of 6/13/06	407 as of 6/13/06	\$3,624,1278.61 from dealers surety plus \$941,259.53 from security fund	0	64 as of 6/13/06	No	No
ОН	- 0 -	1302	\$8,545,781.82	\$2,592,652.21	35	Yes, if receipted.	Yes, if receipted.
ОК	-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	No
ONTARIO	None	431	\$2,797,000	\$414,389 Cdn.	431	N/A	N/A
SC	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
TN	\$272,558 as of 4/15/08	\$843,788	\$442,230 & pending	\$60,000 & pending	4	Yes, if negotiable	No
WA	N/A	N/A	N/A	N/A	N/A	Yes	Yes
WI	-0-	None	-0-	N/A	None	No	No