

**ILLINOIS GRAIN INSURANCE CORPORATION  
BOARD OF DIRECTORS  
MINUTES**

**March 30, 2023**

**I. Welcome**

Jerry Costello, Director of the Illinois Department of Agriculture (IDOA) and President of the Illinois Grain Insurance Corporation called the meeting to order at 10:01 a.m. on Thursday, March 30, 2023, with all parties appearing in-person or virtually through video conference as listed below due to the Governor Pritzker's ongoing emergency declaration. The agenda was posted prior to the meeting and distributed to the Board members and attendees. The virtual meeting was open to the public at 9:55 a.m. prior to the call to order.

**II. Roll Call**

Secretary Designee Vanessa Minson called the roll. Present in-person were Julie Rachford, Board Member and designee for the Director of the Department of Insurance; Vanessa Minson, Board Member, Board Secretary and designee for Attorney General Kwame Raoul; Elizabeth Turner, Board Member, Board Treasurer, and designee for State Treasurer Michael Frerichs; and Todd Haberer, Board Member and Chief Fiscal Officer Illinois Department of Agriculture. Jerry Costello, President of the Illinois Grain Insurance Corporation was present and appeared virtually via video conference.

**III. Introduction of Attendees and Advisory Committee**

Others present included the following members of the Advisory Committee and staff of the IDOA:

Joe Small –  
Chief of the Bureau of Warehouses, Illinois Department of Agriculture  
Dave Gleason –  
Illinois Department of Agriculture Representative  
Chuck Cawley –  
Illinois Department of Agriculture Representative  
Shane Fee – *Appeared Virtually\**  
Community Bankers Association of Illinois, Advisory Committee Member  
Joe Kapraun – *Appeared Virtually\**  
Grain & Feed Association Representative, Advisory Committee Member  
Mark Bunselmeyer –  
IL Corn Grower Association Representative, Advisory Committee Member  
Steve Stallman –  
IL Farm Bureau Representative, Advisory Committee Member

Dwayne Anderson – *Appeared Virtually\**

IL Soybean Association Representative, Advisory Committee Member

#### **IV. Treasurer's Report**

Prior to the meeting, Elizabeth Turner, designee for the State Treasurer, distributed an investment report indicating that the balance of the Illinois Grain Insurance Corporation's Illinois Fund's account as of February 28, 2023 was \$9,262,031.15. The average interest rate for the month of February 2023 was 4.481%

Treasurer Turner indicated that the rate increase was significant from last year's report where the average interest rate for the month of February 2022 was .116%.

Vanessa Minson moved to approve the treasurer's report, and Julie Rachford seconded the motion. The motion passed. Treasurer's report dated March 3, 2023 was approved and attached to the minutes as page seven (7).

#### **V. Secretary's Report**

A. The minutes of the March 31, 2022 meeting were distributed prior to the meeting. No additions or corrections being requested or presented.

B. Elizabeth Turner moved to approve the minutes and Julie Rachford seconded the motion. There being no further discussion, the minutes were approved.

C. The minutes will be made available on the IDOA website.

#### **VI. New Business**

Joe Small, Chief of the Bureau of Warehouses, provided the following information as of February 28, 2023:

A. Illinois Grain Insurance Fund Balance

Cash: \$9,262,031.15

Equity: \$9,272,990.15

Difference: \$10,959.00

B. Regulatory Fund Account Update

Balance: \$387,378.14

C. Grain Indemnity Trust Account Update

Balance: \$132,331.85

Before the meeting, Small distributed the Bureau of Warehouses March 30, 2023 IGIC Annual Report and information as included below in section D.

D. Update on Illinois Grain Insurance Fund Assessments as provided by Joe Small:

**Bureau of Warehouses (WHS) March 30, 2023 IGIC Annual Report**

<b>IGIF Balance Update</b>			
<b>Illinois Grain Insurance Fund Balance</b>	06/30/22	02/28/23	Difference
Cash	\$8,966,574.64	\$9,262,031.15	\$295,456.51
Equity	\$8,979,840.33	\$9,272,990.15	\$293,149.82
Difference	\$13,265.69	\$10,959.00	

<b>Regulatory Fund Account Update</b>			
	06/30/22	02/28/23	Difference
<b>Regulatory Fund Balance</b>	\$323,176.40	\$387,378.14	\$64,201.74

The balance in the Regulatory Fund consist of the collection of licensing fees that must be used to implement and monitor Grain Code programs. The \$64,201.74 increase is mainly due to \$60,525 in licensing fees and \$6,627.85 in interest collected and \$2,951.11 in expenses paid.

<b>Grain Indemnity Trust Account Update</b>			
	6/30/22	2/28/23	Difference
<b>Grain Indemnity Trust Fund Account</b>	\$84,332.72	\$132,331.85	\$47,999.13
Includes Grain Asset Preservation Fund	\$49,764.55	\$49,780.98	\$16.43

The balance in the Grain Indemnity Trust Fund Account consist of various collateral posted to the Department by licensees, liquidated assets associated with failed licensees, and the Grain Asset Preservation money. The \$47,999.13 account balance difference is mainly due to a licensee posting \$47,952 in collateral for an examination violation.

## Update on IGIF Assessments

IGIF Assessment Revenues	7/1/21 to 6/30/22	7/1/22 to 2/28/23	Est. 7/1/22 to 6/30/23
Newly Licensed - Grain Dealer Assessment	\$33,997.00	\$21,401.00	\$28,901.00
Newly Licensed - Grain Warehouse Assessment	\$8,069.00	\$1,083.00	\$2,726.00
Permanent Capacity Assessment	\$50,486.29	\$24,741.00	\$25,009.00
Temporary Capacity Assessment	\$43,318.50	\$32,078.50	\$33,538.50
Emergency Capacity Assessment	\$2,108.00	\$6,350.00	\$6,350.00
Penalties	\$1,500.00	\$500.00	\$500.00
Printers Fees	\$2,400.00	\$2,200.00	\$2,300.00
Interest on Illinois Funds	\$22,506.58	\$192,885.59	\$312,885.59
Reimbursement from Grain Indemnity Trust Account	\$0.00	\$0.00	\$0.00
Services in Kind From IDOA	\$17,930.00	\$0.00	\$17,930.00
Recovery on Claims Paid	\$20,985.43	\$11,910.73	\$17,866.10
<b>Total</b>	<b>\$203,300.80</b>	<b>\$293,149.82</b>	<b>\$448,006.19</b>

## Grain Dealer and Warehouse Licensure

	As of 2/28/22	As of 2/28/23
Total Permanent Storage Capacity in Bushels	1,619,101,000	1,619,153,000
Number of Licensed Companies	223	223
Number of Licensed Locations	1,024	995
Number of Grain Dealers	218	218
State Licensed Warehouses	177	173
Federal Licensed Warehouses - (2/28/22 - 13 participate in the fund and 6 do not)	19	19

Small indicated that there were not any failures and a large increase in interest rates led to the balance increase. Illinois grain storage capacity has maintained and Illinois remains the largest commercial storage provider in the country.

Dwayne Anderson asked whether a farmer could be protected if a grain elevator fails. Small answered that farmers who have their grain stored in a licensed grain warehouse, as determined at time of failure would be protected up to one (1) million dollars in losses.

Steve Stallman asked whether this applies to those who have a price later contract for grain stored (already sold grain). Small answered that such grain could receive 85% recovery.

#### E. Bureau of Warehouses Staffing Level

The Bureau of Warehouses has a current staff level of fourteen (14).

The Bureau has three (3) office staff consisting of the Administrative Assistant, the Acting Warehouse Examiner Supervisor, and the Bureau Chief.

The Bureau has eleven (11) Warehouse examiners in the field across the state.

The Bureau is currently working through the new State hiring process for an examiner position in Grundy County. A new field examiner was hired in Jefferson County, Illinois and there is likely to be a second field examiner hired in Henry County, Illinois.

#### VII. Old Business

Before the meeting, Joe Small provided the following written update on outstanding failures:

##### **Failures associated with SGI Agri-Marketing**

SGI Agri-Marketing LLC, a grain dealer in Gibson City Illinois (Ford County), had its license revoked at an administrative hearing on 11/9/16 for financial deficiencies and failure occurred on 11/1/16 which was the date the license was denied. The producer claim deadline was 1/29/17. Warehouses (WHS) had five requests for claim hearings in which two claimants went to Circuit Court. The total value of the two cases that went to Circuit court was \$141,744.04 or \$120,482.43 at the statutory 85% coverage rate.

- On 3/15/21, the Circuit Court of Ford County ruled in favor of the Department on one of the cases. The claimant appealed the ruling, and the Appeals Court ruled in favor of the claimant on 4/26/22. On 11/30/22, the Illinois Supreme Court accepted this case for hearing, and we are awaiting a court date. Therefore, \$83,210.18 or \$70,728.65 at the statutory 85% coverage rate is the outstanding case amount.
- The Circuit Court of Ford County ruled in favor of the Department, and the time for appeal has lapsed so the total outstanding case amount will not be paid for \$58,533.86 or \$49,753.78 at the statutory 85% coverage rate.

#### VIII. Adjournment

There being no further business, President Costello provided the next annual Grain Insurance Board Meeting date, set Thursday, March 28, 204 at 10:00 a.m.

Elizabeth Turner made a motion to adjourn. Vanessa Minson seconded the motion. There being no further discussion, the meeting was adjourned at 10:22 a.m.

Respectfully submitted,

Dated: March 30, 2023

/s/ Vanessa Minson  
Assistant Illinois Attorney General  
Secretary- Designee  
Illinois Grain Insurance Board



OFFICE OF THE ILLINOIS STATE TREASURER  
**MICHAEL W. FRERICHS**

March 3, 2023

**TO:** Illinois Grain Insurance Corporation Board  
**FROM:** Illinois State Treasurer Michael W. Frerichs  
Elizabeth Turner Designee

**Investment Report:**

The balance in the Illinois Grain Insurance Corporation's Illinois Fund's account as of February 28, 2023, is \$9,262,031.15

The average interest rate for the month of February 2023 is 4.481%.

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