

ALLIANCE INSURANCE COMPANY,)	AGBCA No. 2001-158-F
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Appellant)	
)	
Representing the Appellant:)	
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DECISION OF THE BOARD OF CONTRACT APPEALS

August 27, 2002

Before POLLACK, VERGILIO, and WESTBROOK, Administrative Judges.

Opinion by Administrative Judge VERGILIO.

On June 27, 2001, the Board received this appeal. North Central Crop Insurance, Inc., of Eau Claire, Wisconsin, was the managing general agent for Alliance Insurance Company (appellant or insurance company) of McPherson, Kansas. Alliance had entered into a Standard Reinsurance Agreement (SRA) with the U. S. Department of Agriculture, Federal Crop Insurance Corporation (FCIC) (the respondent or Government). The SRA represents a cooperative financial assistance agreement between the parties to deliver multiple peril crop insurance covering the 1993 crop year (July 1, 1992, through June 30, 1993).

The Government concluded that for corn crops the insurance company had overpaid indemnities in the amounts of \$17,090.88, \$8,978.40, and \$20,876, respectively, for three insureds, Manske Farms, (policy 48-092776), Ronald Prochnow (policy 48-093538), and Winding Acres, Inc. (policy 48-099165). The Government determined that the insurance company was indebted to the Government in the amount of \$46,945 for overpayment on the given policies, because the insurance company

should not have applied both a quality adjustment and a moisture adjustment. The insurance company appeals from that determination. The insurance company contends that it paid the appropriate indemnities to compensate the producers as required under the insurance agreements. The insurance company maintains that corn is priced differently where the insureds were located in Wisconsin, than in other areas which utilize grain elevators.

Regulation authorizes the Board to resolve this timely-filed matter. 7 C.F.R. ' ' 24.4(b), 400.169. The parties were developing the record in this case. A hearing on the merits was scheduled to commence. The Government filed a motion for summary judgment, with a supporting memorandum, which was used to focus further the discussion of the material facts and applicable law. Prior to the hearing, the parties opted to utilize the hearing dates to engage in alternative dispute resolution with the Board. Before that occurred, the parties resolved the dispute.

In a stipulation for settlement and dismissal, received at the Board on August 16, 2002, the parties indicate that they have resolved the dispute. North Central agrees that it collectively overpaid \$25,000 in indemnity payments to the three insureds. It shall repay that amount, which represents its full liability for this matter. Interest will not be due and owing on the amount. Each party will bear its own costs and attorney fees. The matter is to be dismissed with prejudice.

DECISION

The Board dismisses with prejudice this appeal.

JOSEPH A. VERGILIO
Administrative Judge

Concurring:

HOWARD A. POLLACK
Administrative Judge

ANNE W. WESTBROOK
Administrative Judge

Issued at Washington, D.C.
August 27, 2002