

SECRETARY'S RECORD, PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. GW-2184
of The Andersons, Inc., Kearney,)
Nebraska, requesting a \$250,000) GRANTED
deductible on its stock)
insurance.) Entered: March 30, 2021

BY THE COMMISSION:

On March 19, 2021, The Andersons, Inc. ("The Andersons"), Kearney, Nebraska, filed a Grain Inventory Insurance Verification ("GIIV") form with the Nebraska Public Service Commission ("Commission") showing The Andersons hold a policy with Lloyds of London/Houston Casualty with a \$250,000 insurance deductible effective until March 15, 2022.

Minimum insurance coverage amounts are governed by Title 291, Chapter 8, Section 002.06C, which provides:

[A] warehousemen must maintain a policy or policies of combustion, fire, lighting, and tornado insurance in an amount sufficient to cover the total loss upon all grain in the licensed warehouse, as valued by the formula set forth in Subsection 002.08H2. Without in any way limiting the warehouseman's liability under this section, the warehouseman may carry a standard form of insurance policy approved for grain warehousemen, with a total deductible not to exceed \$10,000; provided that the Commission may require a lower deductible based on the warehouseman's financial condition. Any applicant or licensee seeking a deductible higher than \$10,000 will submit an application to the Commission for consideration.

Historically, when the Commission receives a GIIV form indicating a warehouseman has a policy with a deductible higher than the prescribed \$10,000, the requirement to file an application has been waived if the warehouseman has sufficient net worth and working capital to support an increase to the insurance deductible. A warehouseman must demonstrate and maintain an allowable net worth of \$.25 per bushel for each bushel of licensed capacity and must maintain a minimum allowable net worth of \$10,000.¹ Pursuant to the Commission's rules regarding working capital, a warehouseman's current liabilities to allowable current assets shall show a working capital ratio of not less than 1 to 1. If a warehouseman's financial condition fails to meet this requirement, the

¹ 291 NAC Ch. 8 §002.04A.

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warehouseman shall provide additional data that sufficiently satisfies the Commission that additional operating capital be obtained to meet the requirement.²

The March 19, 2021 GIIV form filed by The Andersons shows a deductible on its policy higher than that which is prescribed in Commission Rule 002.06C. No application was filed by The Andersons seeking to approve a higher deductible on its policy. The Commission's most recent financial review of The Andersons was conducted and based on The Andersons' December 31, 2020 financial statement.

Based on the most recent financial review conducted by Commission staff, it appears The Andersons has sufficient net worth and working capital to support an increase to the insurance deductible.

In consideration of the information provided the Commission finds the increase in deductible should be granted. Further, the Commission finds the requirement that an application be filed in order to seek a deductible higher than that described in Commission Rule 002.06C should be waived. Should The Andersons, Inc. desire to retain such increased deductible for a subsequent license year, it must reapply for authority to do so from this Commission.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that The Andersons, Inc., be, and is hereby granted authority to increase its insurance deductible to \$250,000.

IT IS FURTHER ORDERED that the requirement that an application be filed for The Andersons, Inc. to seek a higher deductible than prescribed in Commission Rule 002.06C be, and is hereby, waived.

IT IS FURTHER ORDERED that should The Andersons, Inc., desire to retain such increased deductible for a subsequent license year, it must reapply for authority to do so from this Commission.

² 291 NAC Ch. 8 § 002.04B.

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ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 30th day of March, 2021

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Cystal Keadler
Mary Keadler
Tim Schram

Don Watson
Chair

ATTEST:

Michael S. Hyatt