

# SECRETARY'S RECORD, PUBLIC SERVICE COMMISSION

---

## BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application ) Application No. GW-279  
of Farmers Cooperative, )  
Dorchester, Nebraska, requesting ) GRANTED  
a \$25,000 deductible on its )  
stock insurance. ) Entered: November 16, 2021

BY THE COMMISSION:

On August 26, 2021, Farmers Cooperative, Dorchester, Nebraska filed a Grain Inventory Insurance Verification ("GIIV") form with the Nebraska Public Service Commission ("Commission") showing Farmers Cooperative holds a policy with Austin Mutual Insurance Co. with a \$25,000 insurance deductible.

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 warehousemen's liability under this section, the warehousemen 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 warehousemen'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 \$0.25 per bushel for each bushel of licensed capacity and must maintain a minimum allowable net worth of \$10,000.<sup>1</sup> 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 warehouseman shall provide additional data that sufficiently

---

<sup>1</sup> 291 NAC Ch. 8 §002.04A.

## SECRETARY'S RECORD, PUBLIC SERVICE COMMISSION

---

Application No. GW-279

Page 2

satisfies the Commission that additional operating capital be obtained to meet the requirement.<sup>2</sup>

On September 17, 2019, the Commission entered an Order granting Farmers Cooperative an increase in its insurance policy deductible to \$25,000.<sup>3</sup> In that Order, the Commission held that if Farmers Cooperative desired to retain the increased deductible for a subsequent license year, it must reapply for authority to do so. The August 26, 2021 GIIV form filed by Farmers Cooperative shows a deductible on its policy higher than that which is prescribed in Commission Rule 002.06C. No application was filed by Farmers Cooperative seeking approval for a higher deductible on its policy. The Commission's most recent financial review of Farmers Cooperative was conducted and based on Farmer Cooperative's August 31, 2020 financial statement.

Based on the most recent financial review conducted by Commission staff, it appears Farmers Cooperative 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 Farmers Cooperative's 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 Farmers Cooperative, Dorchester, Nebraska, 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 Farmers Cooperative, Dorchester, Nebraska be, and is hereby granted authority to increase its insurance deductible to \$25,000.

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

---

<sup>2</sup> 291 NAC Ch. 8 §002.04B.

<sup>3</sup> See *In the Matter of the Application of Farmers Cooperative, Dorchester, Nebraska, requesting a \$25,000 deductible on its stock insurance*, Order Granting (Entered: September 17, 2019).

# SECRETARY'S RECORD, PUBLIC SERVICE COMMISSION

---

Application No. GW-279

Page 3

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

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 16th day of November, 2021

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

*Rob Johnson*  
*Crystal Broadus*  
*Mary Kiddy*  
*Tim Schram*

*Don Watson*  
Chair

ATTEST:

*Shanice Knutson*  
Deputy Director