

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.,)
Nebraska, requesting a \$250,000)
deductible on its stock) GRANTED
insurance.)
)
) Entered: March 15, 2022

BY THE COMMISSION:

On February 1, 2022, The Andersons, Inc. ("Applicant" or "The Andersons"), Kearney, Nebraska filed an application requesting a \$250,000 deductible on its stock insurance. Notice of the application was published in The Daily Record, Omaha, Nebraska, on February 4, 2022.

O P I N I O N A N D F I N D I N G S

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.

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 \$10,000.¹ 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 warehouseman shall provide additional data that sufficiently

¹ 291 NAC Ch. 8 §002.04A.

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satisfies the Commission that additional operating capital be obtained to meet the requirement.²

On March 30, 2021, the Commission entered an Order granting The Andersons, Inc., an increase in its insurance policy deductible to \$250,000.³ In that Order, the Commission held that if The Andersons desired to retain the increased deductible for a subsequent license year, it must reapply for authority to do so. Applicant is seeking a deductible on its policy higher than that which is prescribed in Commission Rule 002.06C. In its filed application, Applicant stated that the company's risk profile prevents the company from obtaining insurance with a \$10,000 deductible. The Commission's most recent financial review of The Andersons was conducted and based on the company's December 31, 2021 financial statement.

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

Based on the foregoing finds, the Commission finds the application of The Andersons, Inc., Kearney, Nebraska requesting a \$250,000 deductible in its stock insurance should be granted. Further, the Commission finds that should The Andersons, Inc., Kearney, 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 The Andersons, Inc., Kearney, Nebraska be, and is hereby granted authority to increase its insurance deductible to \$250,000 for its policy for the upcoming year.

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.

³ See *In the Matter of the Application of The Andersons, Inc., Kearney, Nebraska, requesting a \$250,000 deductible on its stock insurance*, Order Granting (Entered: March 30, 2021).

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ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 15th day of March, 2022.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Rod Johnson
Crystal Swader
Mary Keddin
Tim Schram

Don Watson

Chair

ATTEST:

Thomas W. Golden
Executive Director