



United States Department of Agriculture

Farm and Foreign Agricultural Services
Risk Management Agency

March 12, 2004

BULLETIN NO: MGR-04-004

TO: All Reinsured Companies
All Risk Management Field Offices
All Other Interested Parties

FROM: Ross J. Davidson, Jr. /s/ Ross J. Davidson, Jr.
Administrator

SUBJECT: Written Agreement Experience Criteria – 2004 and Succeeding Crop Years

BACKGROUND:

Under the authority of sections 508(a)(4)(B) and (c)(9) of the Federal Crop Insurance Act, Manager's Bulletin MGR-02-001 imposed underwriting control measures for written agreement offers that are determined to have excessive risk. MGR-02-001 established that risk would be considered excessive when the acreage insured by written agreement had a loss experience of at least 2 losses and \$3.00 loss ratio for the period in which the written agreement was in effect. When the standards for excessive risk are met, any request for written agreement is denied.

MGR-03-009 extended these criteria through the 2004 crop year. Questions have arisen with respect to how or when producers may reapply for a written agreement. This bulletin will provide the procedure for 2004 and subsequent crop years until such procedure is incorporated into the Written Agreement Handbook

ACTION:

Producers who have been denied a written agreement because of excessive risk may apply for a written agreement for the same crop, practice, type, and/or acreage if all of the following criteria are met for the years not insured under a written agreement:

1. The producer executes an actual production history form and provides adequate supporting records to the insurance provider that demonstrate that if the producer had insurance for at least two crop years since the written agreement was denied, the producer



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would not have had a loss. To determine whether the producer would have had a loss for those years, the guarantee or amount of insurance and same unit structure that were in effect for the last crop year the producer had insurance under the written agreement will be used. Acreage that is no longer in the farming operation does not need to be considered.

2. The request for written agreement and documentation required in item 1 must be complete and submitted timely to the applicable Risk Management Agency Regional Office, in accordance with the Crop Insurance Handbook.

The Regional Office must consider the loss experience and all production records when determining the appropriate terms of the written agreement.

DISPOSAL DATE:

This bulletin will remain in effect until a New Written Agreement Handbook is issued.