



United States
Department of
Agriculture



Federal Crop
Insurance
Corporation

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Guidance for Written Agreements on 508(h) Products

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**UNITED STATES DEPARTMENT OF AGRICULTURE
FEDERAL CROP INSURANCE CORPORATION**

TITLE: GUIDANCE FOR WRITTEN AGREEMENTS ON 508(H) PRODUCTS	NUMBER: FCIC – 17080 OPI: Federal Crop Insurance Corporation
EFFECTIVE DATE: November 16, 2023	ISSUE DATE: November 16, 2023
SUBJECT: Provides guidelines for submitting requests to allow written agreements on 508(h) products.	APPROVED: <i>Federal Crop Insurance Board of Directors</i>

GUIDANCE FOR WRITTEN AGREEMENTS ON 508(H) PRODUCTS

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PART 1: GENERAL INFORMATION AND RESPONSIBILITIES

1 General Information

A. Purpose and Objective

Provides guidelines for submitting requests to allow written agreements on 508(h) products.

B. Source of Authority

The Federal Crop Insurance Act, 7 U.S.C. 1508(h)

C. Title VI of the Civil Rights Act of 1964

The USDA prohibits discrimination against its customers. Title VI of the Civil Rights Act of 1964 provides that “No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.” Therefore, programs and activities that receive Federal financial assistance must operate in a non-discriminatory manner. Also, a recipient of RMA funding may not retaliate against any person because they opposed an unlawful practice or policy, or made charges, testified or participated in a complaint under Title VI.

It is the AIPs’ responsibility to ensure that standards, procedures, methods and instructions, as authorized by FCIC in the sale and service of crop insurance contracts, are implemented in a manner compliant with Title VI. Information regarding Title VI of the Civil Rights Act of 1964 and the program discrimination complaint process is available on the USDA public website at www.ascr.usda.gov. For more information on the RMA Non-Discrimination Statement see the DSSH.

2-20 Reserved

PART 2: OVERVIEW AND GUIDELINES

21 Overview

Written agreements are available for permanent Federal Crop Insurance Corporation (FCIC) products if allowed by Basic Provisions or Crop Provisions. Written agreements are designed to provide individualized crop insurance for insurable crops when coverage or rates are unavailable or to modify existing terms and conditions in the crop insurance policy when specifically permitted by the policy. While written agreements are a contract between the Approved Insurance Provider (AIP) and the producer, the RMA regional offices have the responsibility of underwriting and approving written agreement requests. There are several different types of written agreements that have specific requirements outlined in the Written Agreement Handbook (FCIC-24020).

Written agreements can be beneficial for gaining experience in circumstances where broader expansion may not be desirable, but they have historically been restricted on 508(h) products for several reasons. The FCIC Board has the authority to determine where a program is available. The FCIC Board often desires to initially restrict the geographic availability of a 508(h) product to limit exposure while the product is being tested. Allowing written agreements expands product availability, which could amplify the impact of any unknown program issues such as errors that encourage adverse selection or improper payments. Therefore, it is critical that the submitter explains to the Board how they will mitigate expansion risks to secure explicit Board approval to allow expansion through written agreements.

Maintenance responsibilities reside with the submitter, and it is the submitter's responsibility to establish policy terms and rates of premium in accordance with FCIC Board approved procedures and methodologies. Written agreements also impact the workload of the Regional Office. Therefore, it is critical that the submitter consult with the impacted RMA Regional Office prior to proposing to allow written agreements to determine whether it is feasible for the Regional Office to administer the written agreements and come to an understanding of how the policy terms and rates of premium will be established.

22 Criteria for Allowing Written Agreements on 508(h) Products

Requests to allow written agreements on 508(h) submissions must be submitted and approved by the FCIC Board of Directors in accordance with the guidance outlined in this document as well as any other applicable regulations and procedure. If the submitter has not met the requirements of this document, the policy must clearly state that written agreements are not allowed. Submissions not meeting the following criteria will be considered incomplete and will be rejected for failure to meet the standard of "sufficient quality" in 7 C.F.R. part 400 subpart V.

- (1) The submitter must consult with the applicable RMA Regional Office(s) that will be administering the written agreements prior to submitting a proposal to allow written agreements on a 508(h) product to determine whether it is feasible for the Regional Office to administer the written agreements and come to an understanding of how the policy terms and rates of premium will be established.

22 Criteria for Allowing Written Agreements on 508(h) Products (Continued)

- (2) The submission must provide sufficient justification for allowing written agreements, including an explanation of why other alternatives will not produce desirable results. For example, if the submitter believes that the best alternative to expansion to a particular area is to allow written agreements, the submitter should explain why generalized expansion is problematic and how written agreements solve these issues.
- (3) The submission, policy, and procedure must clearly identify what type(s) of written agreements will be allowed.
- (4) The submission and procedure must outline under what conditions written agreements will be allowed and must prescribe parameters to mitigate risk associated with wider availability, in terms and conditions if such limitations are not already included in the Written Agreement Handbook (FCIC-24020).

22-30 Reserved

EXHIBITS

Exhibit 1 Acronyms and Abbreviations

Approved Acronyms and Abbreviations	Term
C.F.R.	Code of Federal Regulations
FCIC	Federal Crop Insurance Corporation
RMA	Risk Management Agency
U.S.C.	United States Code
USDA	United States Department of Agriculture

Exhibits 2 - 3 Reserved
