HAWAII TROPICAL TREES PILOT INSURANCE PROGRAM

TRAINING PACKAGE FOR

HAWAII TROPICAL TREES

BANANAS, COFFEE, AND PAPAYA

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

FEDERAL CROP INSURANCE TRAINING MODULE

SUBJECT:

HAWAII TROPICAL TREE PILOT CROP INSURANCE PROGRAM

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CONTENTS

INTRODUCTION

PURPOSE OF THIS TRAINING HANDBOOK

The Hawaii Tropical Trees (HTT) Pilot Insurance Program Instructor Training Package is to be used for the following crops: banana, coffee, and papaya trees. The training package is designed as a training text and desktop guide for instructors. The course contains all of the basic information necessary to understand the major elements of the HTT pilot insurance program. In addition, because the crops in Hawaii are unique, a short description of each crop is included. The package should be used to train crop insurance agents how the HTT Pilot Insurance Program works. It is intended to supplement, not replace the applicable HTT documents.

The training manual is written with the understanding that the instructors and students are familiar with government subsidized MPCI crop insurance programs. Agents should understand the content and provisions of the following materials:

- Common Crop Insurance Policy and its Basic Provisions;
- Catastrophic Risk Protection Endorsement (as applicable);
- Loss Adjustment Manual (LAM) (FCIC-25010), and
- Crop Insurance Handbook (CIH) (FCIC-18010).

ABBREVIATIONS

The following abbreviations will be used throughout this training manual:

APH – Actual Production History
BBTV – Banana Bunchy Top Virus
CIH – Crop Insurance Handbook
CTV – Comprehensive Tree Value
CTVE – Comprehensive Tree Value Endorsement
HTT – Hawaii Tropical Trees
LAM – Loss Adjustment Manual
LASH – Loss Adjustment Standards Handbook
MPCI – Multi Peril Corp Insurance
OLO – Occurrence Loss Option
PPCB – Plant Pest Control Branch, Hawaii Department of Agriculture
PRV – Papaya Ringspot Virus
RMA – Risk Management Office
RO – Regional Office
SPOI – Special Provisions of Insurance
UG – Underwriting Guide

FORMAT

Unless otherwise noted, the Hawaii Tropical Trees Insurance Pilot Program Instructor Training package is the same as the student training package.

The manual is divided into seven chapters. The chapter numbers and their corresponding chapter names are as follows:

- Chapter 1: Crop Summaries
- Chapter 2: Crop Provisions
- Chapter 3: Comprehensive Tree Value Replacement Endorsement
- Chapter 4: Underwriting Guide
- Chapter 5: Loss Adjustment Standards Handbook
- Chapter 6: Special Provisions
- Chapter 7: FCI-35

Each chapter (starting with Chapter 2) follows a specific format, where applicable, and is organized with an introduction, a discussion of the learning objectives, the lesson, a summary of the chapter, and questions for review. Within each chapter, primarily in the lesson section, the following icons will be used to draw attention to and/or highlight specific information and examples.

The light bulb icon indicates important information that the instructor should emphasize.

The sun icon will be used to indicate examples.

CERTIFICATION PROCESS

CERTIFICATION TEST

PURPOSE

The purpose of the test is to evaluate the student's understanding of the material presented in this training manual. The test will be administered at the end of the course.

The test is an open-book test of selected questions presented at the end of each chapter. The student will have two hours to complete the test.

The student must receive a score of 80% or higher for successful completion of the course. The student may re-take the test in order to obtain a passing grade.

LOCATION

The Certification Test to be given to the students without the answers can be found in Exhibit Two. The Certification Test with the correct answers bolded in red is located in Exhibit Three.

TRAINING SCHEDULE

The training schedule will utilize 2 full days. The test will be administered at the end of the 2nd day.

DAY ONE

MORNING

Introduction and Overview of Training

Chapter 1: Crop Summaries
Chapter 2: Crop Provisions

AFTERNOON

Chapter 3: Comprehensive Tree Value Endorsement
Chapter 4: Underwriting Guide

DAY TWO

MORNING

Chapter 5: Loss Adjustment Standards Handbook
Chapter 6: Special Provisions
Chapter 7: Actuarial Documents

AFTERNOON

Review
Certification Test

CHAPTER 1: CROP SUMMARIES

INTRODUCTION

This chapter of the training manual, Crop Summaries, gives a brief description of each crop that is included in the Hawaii Tropical Tree Pilot Insurance Program. These tree crops are as follows:

- Banana
- Coffee
- Papaya

The purpose of this section is to briefly familiarize the student with each crop and to outline those elements that directly influence the policy and subsequent documents. This section does not outline all acceptable "good farming practices". When specific information is needed or a practice is questionable, agricultural experts, such as the University of Hawaii and the Cooperative State Research and Extension Service (CSREES) personnel, should be consulted.

DEFINITIONS

This section defines terms in this chapter that are related to the crop summaries:

AIR LAYERING

The process of removing a large branch or section of the trunk of a tree to create another tree. This method allows a portion of a plant to root while still attached to the parent plant.

APPROACH GRAFTING

Used to graft two independently growing, self-sustaining plants together - when replacing the scion with a reproductively mature one.

BANANA MAT

The entire plant consisting of one or more pseudostems (upright, trunk-like structures) formed by tightly packed concentric layers of sheaths, an underground rhizome, and a fibrous root system.

BUDDING

To insert a bud, from a plant, into an opening in the bark of another plant in order to propagate a desired change of variety or appearance. Budding generally refers to the grafting of single buds.

CORM

Thick underground stems which produce the new roots, leaves and flowers during each growing season.

DIEBACK

Common symptom or name of disease, especially of woody plants, characterized by progressive death of twigs, branches, shoots, or roots, starting at the tips.

GRAFTING

To unite a scion (the upper part of the graft) with a stock (the lower part of the graft) thereby propagating a plant of desired variety or appearance.

INTERPLANTED

Two or more crops are planted at the same time on the same acreage.

RHIZOME

A modified plant stem that grows horizontally under the surface of the soil. New growth then emerges from different points of the rhizome.

SUCKER

A secondary shoot produced from the base of the main stem that gives rise to a new plant. Sometimes called a side shoot or offset and can be removed from the parent plant and used for propagation.

TAPROOTS

Large, primary roots that grow longer and thicker than the secondary roots. Many smaller branch roots may grow from the tap root.

BANANAS

OVERVIEW

- Giant perennial herb
- Two types: Cavendish and Brazilian (also called Hawaii Apple)
- Can be planted at any time.
- Typically planted as corms or are propagated from offshoots (suckers or keiki)
- Plant grows multiple times from the same root system
- Each stalk produces one huge flower cluster, bears one bunch of fruit, and then dies.
- Fruits mature 10-15 months after planting
- In a field, various stages of banana development occur simultaneously
- Harvested year-round

ITEMS TO NOTE

One of the main diseases affecting banana trees is Banana Bunchy Top Virus (BBTV). The disease is a serious problem for banana growers statewide. BBTV is a viral disease that causes stunting and discoloration of leaves, eventually killing the plant. In the meantime, it may produce stunted fruit or no fruit at all.

Eradication of BBTV is difficult and the likelihood of finding a cure is small. Once the virus is present, the plant has to be destroyed, or the plant will never completely die. Several islands have been affected and subsequently quarantined. The quarantine is a state regulation that prohibits movement of plant parts, but the fruit can still be marketed and sent to other islands. In addition to the quarantine, state and county officials, with the input of Hawaii's banana and farming industries, have set up eradication zones that call for the removal of all plants within the zone (10 sq. miles in Kona and 8 sq miles in Kauai).

Wind damage is another major peril to banana plants. It is usually associated with winter storms or hurricanes and is usually not statewide. In severe wind storms, plants may be blown to the ground. The risk of wind damage is less when the young suckers are 2-3 feet tall, prior to leaf formation, and is significantly higher once bunches have formed. Bunches make the tree heavier and more susceptible to being blown over.

Since bananas grow every year from the same rhizome, even if the plant is damaged, the mat does not necessarily have to be replaced. The whole idea in recovery is to allow the surviving suckers to take over as soon as possible (by clearing, etc.) to produce the next crop; not to try to salvage damaged plants. It takes a plant approximately one year to recover from serious wind damage.

INSURANCE NOTES

- Both Yield and Tree insurance **are available** for bananas.
- The Comprehensive Tree Value Endorsement *(see Chapter 3)* and Occurrence Loss Option *(see Chapter 2, Subsection 15 – Occurrence Loss Option)* are **not** available for bananas.
- Insurance will attach immediately upon set out.
- Optional units by type and non-contiguous acreage (Cavendish and Brazilian) are available, unless limited by the Special Provisions *(see Chapter 2, Subsection 2 – Unit Division)*.
- BBTV will be the predominate cause of loss in some areas. The verification of good farming practices to mitigate the loss and education of the disease symptoms and control should be stressed.
- Destruction of live trees to control the spread of BBTV and authorized by the insurance provider is a covered cause of loss *(see Chapter 2, Subsection 11 – Causes of Loss)*.
- As further clarification, the mat (the entire plant including the root system) is usually not uprooted and will not be considered dead, as defined in the crop provisions *(see Chapter 2, Subsection 13 - Settlement of Claim)*. If the stalk is blown over but the roots are not exposed, the "tree" is not dead.
- Banana trees interplanted with other trees and perennial crops are insurable, unless the insurance provider inspects the acreage and determines that it is not insurable.

COFFEE

OVERVIEW

- Tropical perennial evergreens
- Grown from transplants
- Plants bear 2-3 years after transplant
- Fruit on the tree (before being processed) is referred to as "cherry"
- Harvest depends on area, spanning from August to January
- Kona coffee is hand-picked and receives a premium price
- Big-acreage coffee production on other islands (Molokai, Maui, and Kauai) is mechanically harvested – smaller acreage farms are hand-picked
- Most planted varieties: Guatemalan (Kona typica), Red Catuai, and Yellow Catuai

ITEMS TO NOTE

One of the biggest perils to coffee production, especially in the Kona region, is the nematode. The disease is characterized by the occurrence of individual or clustered, poorly growing or stunted coffee trees. Symptoms are drooping leaves, wilting, leaf loss, and wobbly, loosely anchored trees. Nematode entry and feeding within roots disrupts plant growth processes and causes growth decline.

Estimates of Kona district nematode infestation have been as high as 85% of the coffee acreage. The level of nematode infestation is influenced by the age of the trees. The younger the tree is when infected, the faster its decline. If a grower plants small seedlings in infested soil, they will die in two to three years, or may not produce at all. Older trees decline gradually, and once the tree has a good root system, it could take 15 to 20 years for the nematode to completely infest the tree. Thus, nematodes are more of a problem in new and expanding orchards.

To help control the spread of nematodes, the use of 'pula pula' (volunteer coffee seedlings) as transplants is not recommended. Transporting these coffee seedlings, which are pulled from beneath mature coffee trees to new planting sites, can also transport nematodes in their roots. Soil-less media, ready-to plant seedlings, or using nematode-free rootstock are effective alternatives

Because coffee trees are heavily pruned, regardless of any damage, they are fairly easy to rehabilitate. In most instances of tree damage, including dieback, the rehabilitation of the tree consists of heavy pruning, and at times more fertilization and irrigation. In extreme conditions, if most or all of the leaves are blown off and some of the branches are broken, the tree is generally

"stumped". In other words, all of the vertical stems, from 18-30 inches above the ground, are removed. If the tree is completely blown over, generally it is removed if it cannot be salvaged.

Green scale and black twig borer are the most common pests. It is important to note that branches infected with the black twig borer should be removed from the tree and subsequently removed from the field. If they are not removed, the black twig borer will continue to spread and infect healthy branches and trees.

INSURANCE NOTES

- Both Yield and Tree insurance **are available** for coffee.
- The Comprehensive Tree Value Endorsement *(see Chapter 3)* and Occurrence Loss Option *(see Chapter 2, Subsection 15 – Occurrence Loss Option)* **are available** for coffee.
- Optional units for non-contiguous acreage are available, unless limited by the Special Provisions *(see Chapter 2, Subsection 2 – Unit Division)*.
- Nematode infestation is not an insured cause of loss for trees that are less than 5 years of age *(see Chapter 2, Subsection 11 – Causes of Loss).* The tree is considered 100% damaged due to nematode infestation if the tree is diagnosed by the University of Hawaii, other agricultural experts, or an applicable State or Federal agency as diseased with nematodes, the nematode infestation level has reached 50%, and the expected production from the tree is reduced by at least 40% over the last two years as a result of the nematode infestation *(see Chapter 2, Subsection 13 – Settlement of Claim).*
- Acreage where coffee trees are considered dead in accordance with the HTT Crop Provisions due to a nematode infestation is not eligible for insurance unless the dead trees have been chipped and mulched or removed from the intended replanting site, the soil treated, and the site fallowed for a period of time *(see Chapter 2, Subsection 9 – Insurable Acreage)*.
- Insurance will not attach to any acreage of coffee that has not reached age one (1) by December 31 preceding the crop year.
- Coffee trees interplanted with other trees and perennial crops are insurable, unless the company inspects the acreage and determines that it is not insurable.

PAPAYA

OVERVIEW

- Short-lived, fast-growing, woody herb
- Begin fruiting 9-12 months after transplant
- Generally cut down after third year, as the plant gets too tall to harvest
- UH SunUp and UH Rainbow transgenic (GMO) varieties are PRSV resistant
- Major commercial plantings located on islands of Oahu and Big Island (specifically in the Puna district) – lesser extent on the other islands

ITEMS TO NOTE

Papaya can be either direct-seeded or transplanted into the field. Direct-seeding is practiced in the Puna area because of the porous nature of the soil, which has few fine particles, resulting in poor moisture and nutrient holding capacity. Papayas flower and produce fruit year-round. All Hawaiian cultivars produce harvestable fruit 9-12 months after planting, with the exception of 'Kapoho', which takes up to 14 months.

The most common plant disease and biggest peril of papaya is the Papaya Ringspot Virus (PRV). PRV is the limiting factor in papaya production in many areas, and has had a significant impact on papaya production in Hawaii. There are no control methods once the plant is infected. Trees found to be infected with PRV are dug out and destroyed to minimize the spread of the virus. Virus problems can be avoided by planting genetically resistant cultivars. PRV is not transmitted via seeds, but it can be spread to areas where it is not present by transporting infected seedlings. For this reason, papaya seedlings are not transported between islands.

INSURANCE NOTES

- Both Yield and Tree insurance **are available** for papaya.
- The Comprehensive Tree Value Endorsement *(see Chapter 3)* **is** available for papaya trees.
- The Occurrence Loss Option *(see Chapter 2, Subsection 15 – Occurrence Loss Option)* **is not** available for papaya trees.
- Optional units by non-contiguous land are not allowed for papaya trees *(see Chapter 2, Subsection 2 – Unit Division).*
- Papaya trees are not eligible for insurance during the twelve month period after the date of set out *(see Chapter 2, Subsection 8 – Insured Crop) or for trees that are four years old or older on December 31 preceding the crop year*.

- Papaya trees planted on acreage where papaya trees were planted the previous crop year also are not eligible. This is mainly due to the high risk of PRV and other disease infection when the ground is not fallowed between plantings *(see Chapter 2, Subsection 8 – Insured Crop)*.
- Because papaya trees are generally cut down once they reach a certain age due to height, insurance will not attach on papaya trees that have reached age 4 preceding the crop year *(see Chapter 2, Subsection 10 – Insurance Period)*. Therefore, accurate reporting of tree age is important.
- Destruction of live trees to control the spread of PRV that is authorized by the insurance provider or based on a recommendation from PPCB, Hawaii Department of Agriculture is a covered cause of loss *(see Chapter 2, Subsection 11 – Causes of Loss)*.
- Papaya trees interplanted with other trees and perennial crops are insurable, unless the insurance provider inspects the acreage and determines that it is not insurable.

CHAPTER 2: CROP PROVISIONS

INTRODUCTION

NOTE: The Common Crop Policy, Basic Provisions (05-BR) apply to the HTT program. No modifications to the Basic Provisions were made as a result of this program. Refer to previous training provided regarding the Basic Provisions for non crop-specific insurance requirements and issues not addressed in this chapter as they apply to the HTT program.

This chapter of the training manual, *Crop Provisions*, details each section of the Pilot Hawaii Tropical Tree Pilot Crop Provisions. There are 15 numbered sections in this chapter and each one corresponds to the numbered sections of the crop provisions. The section names and numbers are as follows:

1. Definitions
2. Unit Division
3. Insurance Guarantees, Coverage Levels, and Prices for Determining Indemnities
4. Contract Changes
5. Cancellation and Termination Dates
6. Report of Acreage
7. Annual Premium
8. Insured Crop
9. Insurable Acreage
10. Insurance Period
11. Causes of Loss
12. Duties in the Event of Loss
13. Settlement of Claim
14. Late and Prevented Planting and Written Agreements
15. Occurrence Loss Option

LEARNING OBJECTIVES

After completing this section, you should be able to:

- ✓ Be familiar with the overall structure of the Hawaii Tropical Tree Pilot Crop Provisions in such a manner that specific questions or issues can be effectively referenced.
- ✓ Define and understand the terms and concepts used in the HTT Pilot Crop Provisions.
- ✓ Determine allowable unit structure
- ✓ Cite crop specific exceptions and requirements
- ✓ Understand how nematodes, BBTV, and PRV are addressed in the crop provisions
- ✓ Understand the concept of "dead or alive"
- ✓ Define a dead (100% damaged) tree by crop
- ✓ Determine insurance, producer, and acreage eligibility and requirements

- ✓ Calculate settlement of claim payments and premium cost
- ✓ Describe the Occurrence Loss Option (OLO) and its requirements

LESSON

Each section in the lesson corresponds to the numbered items in the crop provisions; the terms "you" and "your" refer to the policyholder or applicant, and "we", "us", or "our" refers to the insurance provider. For greater detail and specific policy language, the Hawaii Tropical Tree Pilot Crop Provisions should be consulted.

1. DEFINITIONS

AGE (YEAR OF GROWTH)

For insurance purposes, tree age will be determined on December 31st according to the following table:

Year	Months After Set Out
1	≤12
2	13-24
3	25-36
4	37+

AMOUNT OF INSURANCE (UNIT)

The dollar amount for the unit calculated by multiplying the number of insurable trees reported at each age times the tree reference price for the age, totaling these values, multiplying the result times the coverage level selected by you, and then multiplying this result times your share.

> Amount of Insurance = sum (number of trees of each age × tree reference price for each age) × coverage level × your share

Example: Amount of Insurance

Joe Farmer has 1000 insured coffee trees (500 are 2 years old with a $19.00 tree reference price (TRP) and 500 are 6 years old with a $28.00 TRP). He has a coverage level of 75%. His share is 100%.

The amount of insurance is determined as follows:
= [(500 × $19.00) + (500 × $28.00)]
= [9,500 + 14,000] × 0.75 × 1.000
= **$17,625**

BROKEN

Trunk that is snapped into two or more sections.

CROP

Each of the following tropical trees is a separate crop under these crop provisions:

- Banana trees (*Musa acuminate*)
- Coffee trees (*Coffee arabica*)
- Papaya trees (*Carica papaya*)

CROP YEAR

In lieu of the definition in the Basic Provisions, the period beginning January 1 and extending through December 31 of the same calendar year.

DEAD (DEATH)

Trees that die or will die due to insurable causes of loss as specified in section 11(a-i) of the crop provisions.

DESTROYED (DESTRUCTION OF) TREES

Live trees that are destroyed with our consent to control the spread of BBTV or PRV as specified in sections 11(j) and 12(c) of the crop provisions. This term is only used to describe the destruction of live trees to prevent the spread of disease and not trees that die as a result of other insured causes of loss specified in Section 11(a)-(i) of these crop provisions.

NEMATODES

(Meloidogyne konaensis: the Kona coffee root-knot nematode) – the small, parasitic roundworms that reside in the earth in some areas of Kona, reduce production, and could result in the death of coffee trees growing in these areas.

PPCB

Plant Pest Control Branch, an agency of the Hawaii Department of Agriculture, or a successor agency, which has the authority to order the removal of plants to control the spread of diseases.

PRV

Papaya Ringspot Virus, a disease that infects papaya trees.

REPLACEMENT TREES

Trees set out in existing orchards to replace trees that have died, been destroyed and/or removed.

SET OUT

The event of the tree being transplanted or direct seeded into the orchard.

TOPPLED

A tree that is leaning and in danger of falling, but is not uprooted.

TREE REFERENCE PRICE

The value per tree by age contained in the actuarial table.

UNDERREPORT FACTOR

The result of dividing the amount of insurance by the unit value, rounded to two decimal places and not to exceed 1.000.

UNIT VALUE

The amount determined by multiplying the number of insurable trees in the unit on the day before the loss (but not reduced for any insured loss that occurred during the crop year) by the tree reference prices contained in the actuarial documents for the applicable tree ages, totaling these values, multiplying the result times the coverage level selected by you, and then multiplying this result times your share.

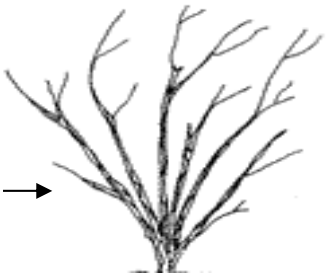
UPROOTED

A tree that is not upright, and that has an exposed root system.

VERTICALS

For coffee trees, branches that always grow upward from trunk of the tree.

Verticals →



Source: North Dakota State University Extension Service

2. UNIT DIVISION

Units	
Applicable	**Not Applicable**
Optional units -By non-contiguous land (except for papaya trees) -By type, for all crops if types are provided in the Special Provisions	**Optional units** -By irrigated and non-irrigated practices -By section, section equivalent, or FSA farm serial number
	Enterprise and whole-farm units

3. INSURANCE GUARANTEES, COVERAGE LEVEL, AND PRICES FOR DETERMINING INDEMNITIES

COVERAGE LEVEL

The insured may select only one coverage level for each crop they elect to insure.

AMOUNT OF INSURANCE LIMITATION FOR ADDITIONAL TREES

To mitigate the risk of producers increasing their tree plantings due to the availability of insurance, limitations are in place for insuring new trees. This limitation applies to all acreage of the trees insured of each crop in the county for the crop year unless the increase in the number of insured trees for the crop is 100 or fewer trees.

If the number of insurable trees of the insured crop in the county for the current crop year exceeds 125 percent of the greatest number of insurable trees in which the insured had experience growing the crop in the county for any one of the three previous crop years, the amount of insurance for the current crop year will be reduced as follows:

Step 1) Multiply the greatest number of insurable trees of each crop in which the insured had growing experience in the county in any one of the three previous crop years times 1.25;

Step 2) Divide the result by the number of insurable trees of the insured crop in the county for the current crop year; and

Step 3) Multiply the resulting factor (rounded to two decimal places not to exceed 1.00) times the amount of insurance for the current crop year.

Example: Amount of Insurance Limitation

For five years, Joe Farmer had an average of 1,000 insurable coffee trees. He acquires 500 more insurable coffee trees.

Greatest number of insurable trees in past 3 years=	1,000
Additional insurable trees=	500
Amount of Insurance =	$17,625

To determine the amount of insurance for the current crop year with the additional trees:

Step 1)	1,000 × 1.25 =	1250
Step 2)	1250 / (1,000 + 500) =	0.83
Step 3)	.83 x $17,625 =	**$14,628.75**

4. Contract Changes & 5. Cancellation and Termination Dates

Crops	Contract Change Date	Cancellation and Termination Dates
Coffee, Banana and Papaya	September 30	December 31

6. Report of Acreage

The acreage report records the number of trees on the insured acreage in each unit. The number of insurable trees reported, by type and age, is the basis for determining the amount of insurance for the unit.

Acreage Reporting Requirements

An annual acreage report must be submitted by unit. It includes (in addition to the reported acres, practice and type, share, and date of set out) the:

- Number of trees (insurable and not insurable);
- Age of insurable and uninsurable trees;
- Number of trees that have been replaced during the preceding crop year; and
- Number of trees removed and not replaced during the preceding crop year.

Misreported Information

The insured must correctly report the information required by the policy. If the information reported is incorrect, any indemnity will be adjusted by an underreport factor. Refer to the HTT

LASH and the LAM for additional instructions concerning misreported acreage report information, revised acreage reports, and related topics.

Example: Underreport Factor

Joe Farmer reported 500 insurable coffee trees. The tree reference price is $28. At the time of loss, the insurance provider determines there are 1,000 insurable coffee trees. The insured elected the 75% coverage level and has a share of 100%.

Amount of Insurance for the Unit =	$10,500 (500 × $28 × 0.75 × 1.000)
Unit Value =	$21,000 (1,000 × $28 × 0.75)
Underreport Factor =	0.50 ($10,500 ÷ $21,000)

Indemnity Determination: 100% loss with the Occurrence Loss Option in effect.

Step 1)	1,000 (dead trees) × $28 =	$28,000
Step 2)	$28,000 × 0.75 =	$21,000
Step 3)	$21,000 × 1.000 =	$21,000
Step 4)	$21,000 × 0.50 =	$10,500

7. Annual Premium

Calculation

Annual Premium = Amount of Insurance for the Unit × Applicable Premium Rate
× Applicable Premium Adjustment Percentages

Premium Example:

Joe Farmer has a 100% share in 200 six-year-old coffee trees in Hawaii County. He insures at the 75% coverage level and qualifies to receive the Basic Unit Discount (BUD).

Other information is as follows:

Applicable tree reference price = $28
Premium rate = 1.25%
BUD = 0.90

The premium is calculated as follows:
Amount of insurance = $4,200 (200 × $28 × 75% coverage level × 100% share)
Base premium = $4,200 × 1.25% × 0.90 BUD = $47.25
Producer-paid premium = $47.25 × (1.00 – 0.55 subsidy) = $21.26

8. INSURED CROP

The insured crop is one in which the insured has a share, for which the insured elects coverage, and for which the insured can provide evidence of at least four consecutive years of experience growing the crop (excluding the year of setout). In addition, the conditions listed below are used to determine the insurability of the crop.

Trees Eligible	Trees Not Eligible
Premium rate provided on actuarial documents	Dead, unsound, diseased, or unhealthy
Grown to produce a crop intended to be sold for human consumption	Toppled or uprooted
Inspected and accepted by the insurance provider	Grown on acreage designated as uninsurable on the actuarial documents
	Papaya trees during the twelve-month period after the date of set out
	Papaya trees planted on acreage where papaya trees were planted the previous crop year
	Papaya trees that have reached age four preceding the crop year

9. INSURABLE ACREAGE

Acreage Eligible		Acreage Not Eligible	
Eligible	**Notes**	**Not Eligible**	**Notes**
Insurable trees interplanted with other trees or other perennial crops	Unless the company inspects the acreage and determines that it is not insurable	Coffee trees - where coffee trees have been determined to be dead according to the HTT Crop Provisions due to nematode infestation	Unless the dead trees have been either chipped and mulched or removed from the intended replanting site, the soil treated, and the site fallowed for a period of time (as specified on the SPOI)
		Where replacement trees (or trees on new acreage) have been planted after the date that insurance has attached for the crop year	Insurance may attach on such acreage for the following crop year for all crops except papaya trees (which are not insurable the 12 months after set out)

10. INSURANCE PERIOD

BEGINNING OF INSURANCE COVERAGE

Crops	Insurance Coverage Begins
Banana, Coffee and Papaya Trees	30 days after receipt of an application received between December 2 and December 31, or January 1

If the insurance provider's inspection **prior to the initial year of coverage** finds that any trees in the unit are infected with BBTV or PRV:

- The applicant may reapply for insurance within 60 days of the date of rejection, and
- Coverage may begin after January 1 for the initial crop year,
- If the insurance provider determines that all conditions for insurability in sections 8 and 9 of the HTT crop provisions are met.
- The annual premium amount will not be reduced for any portion of the crop year in which coverage was not in force.

END OF INSURANCE COVERAGE

HTT Crops	Insurance Coverage Ends		
Banana, Coffee, and Papaya Trees	December 31	**Or**	Upon the company's determination of the death or total destruction of insured trees for the unit

11. CAUSES OF LOSS

Cause of Loss	Exceptions / Notes	
Adverse Weather		
Disease	Not loss due to insufficient or improper application of control measures	
Insects	Not loss due to insufficient or improper application of control measures	For coffee trees – nematodes are not an insured cause of loss for trees that are less than 5 years of age
Fire, Due to Natural Causes	Unless weeds and other forms of undergrowth have not been controlled	Unless pruning debris has not been removed from the field
Earthquake		
Tsunami		
Volcanic Eruption		
Wildlife	Unless proper measures to control wildlife have not been taken	
Failure of Irrigation Water Supply	If caused by an insured peril	
Destruction of Live Trees	That were determined by the insurance provider or PPCB to be infected with BBTV or PRV,	And for which the insured obtains the consent of the insurance provider to destroy such trees in order to control the spread of BBTV or PRV.

12. DUTIES IN THE EVENT OF LOSS

In addition to the requirements of the Basic Provisions, if the insured intends to claim an indemnity on any unit:

- The insured must allow the insurance provider to inspect all insured acreage before chipping or mulching any trees or destroying live trees.
- The insured must submit a claim for indemnity not later than 30 days after the end of the insurance period, or if the amount of loss cannot be determined by the insurance provider until after the insurance period, not later than twelve full calendar months after notification of loss. This claim must include all the information the insurance provider requires to determine the insured's indemnity.
- The insured must notify the insurance provider immediately upon determination that PRV or BBTV has infected any portion of the unit which will require any trees to be destroyed in order to prevent the spread of disease. The insured must not destroy any live trees without the insurance provider's consent.

13. SETTLEMENT OF CLAIM

DEFINITION OF 100% DAMAGED

To receive a claim, the tree must be dead or destroyed. The tree will be assessed as dead when any of the insured causes of loss result in the following:

Crop	Conditions Considered to Indicate Death			
All Crops	Live tree that is authorized by the company to be destroyed to contain the spread of disease.			
Banana Trees	Tree is uprooted*			
Papaya Trees	Tree is uprooted	Tree is broken	All of the leaves are stripped from the tree	
Coffee Trees	Tree is uprooted	There is no live wood in any of the verticals or in the trunk	All verticals are broken to less than one inch above the ground	Tree is diagnosed as diseased with nematodes, the infestation level has reached 50%, and the expected production from the tree is reduced by at least 40% as compared to the last two years (due to nematodes)

*For bananas, the mat must be uprooted (not just a stalk blown down) for the tree to be considered dead. In most cases, if the mat is not dead, the leaf debris can be cleared and the mat (tree) salvaged.

When the value of dead and destroyed trees exceeds 80% of the value of insured trees in the unit, the unit is considered a 100% loss.

DEAD TREE REQUIREMENTS

Coffee and banana trees that are considered dead due to an insured cause of loss (other than BBTV for banana trees) must be either chipped and mulched or removed from the field prior to the final settlement of claim. Papaya trees may remain the field for decomposition.

The destruction of banana and papaya trees to control the spread of BBTV and PRV, respectively, must be performed in accordance with procedures established by PPCB and completed prior to the final settlement of the claim.

SETTLEMENT OF CLAIM STEPS

The insurance provider will determine the insured's loss on a unit basis for the crop insured. Losses include only trees considered dead or destroyed by an insurable cause of loss. In the event of loss covered by this policy, the insurance provider will settle the insured's claim by taking the following steps:

Step 1) Multiplying the total number of insurable trees (by age) in the unit times the tree reference price for the age of the tree and totaling the results;

Step 2) Multiplying the number of dead or destroyed trees (by age) in the unit (since the beginning of the crop year) times the tree reference price for the age of the tree and totaling the results;

Step 3) Dividing the result of Step 2 by the result of Step 1 to determine the percent of damage;

Step 4) Subtracting the deductible (1.00 minus the coverage level equals the deductible, or, for example, 1.00 - 0.75 = 0.25) from the result of Step 3 (percent of damage) to determine the applicable percent of loss;

Step 5) Multiplying the result obtained in Step 4 (applicable percent of loss) by the result obtained in Step 1;

Step 6) Multiplying the result obtained in Step 5 by the insured's share;

Step 7) Multiplying the result obtained in Step 6 by the underreport factor; and

Step 8) Subtracting any indemnity previously paid for the current crop year from Step 7 to determine the indemnity as a result of the most recent insurable cause of loss.

Example: Settlement of Claim

Joe Farmer has 500 insured coffee trees and a coverage level of 75%. After a hurricane, 225 of his trees are considered dead. He has 100% share of the trees and has not been previously paid any indemnities. His tree ages and values are as follows:

Insured Coffee Trees:

200 trees, 2 years old, $19.00 reference price =	$3,800 total value
300 trees, 5 years old, $28.00 reference price =	$8,400 total value
	$12,200

Dead Coffee Trees:

75 trees, 2 years old, $19.00 reference price =	$1,425 total value
150 trees, 5 years old, $28.00 reference price =	$4,200 total value
	$5,625

To determine the indemnity using the above steps:

Step 3)	$5,625 ÷ $12,200 =	0.461 (46.1%)
Step 4)	.461 - (1.0 - .75) =	0.211 (21.1%)
Step 5)	.211 × $12,200 =	$2,574
Step 6)	$2,574 × 100% =	$2,574
Step 7)	$2,574 × 1.000 =	$2,574
Step 8)	$2,574 - $0.00 =	$2,574

The total amount of indemnities payable on a unit during the crop year is limited to the amount of insurance for that unit.

If the value of trees considered dead or destroyed exceeds 80 percent of the value of the trees in the unit, the percent of damage for the unit will be 100% (this determination applies to the base coverage under the crop provisions and to the Occurrence Loss Option (OLO)).

14. Late and Prevented Planting and Written Agreements

Provisions in Section 16 (Late Planting), Section 17 (Prevented Planting), and Section 18 (Written Agreements) of the Basic Provision are not applicable.

15. Occurrence Loss Option (Coffee Trees Only)

The Occurrence Loss Option (OLO) is an option available for coffee that changes the deductible to a per tree basis, instead of a per unit basis, once the percent of dead or destroyed trees has exceeded a certain percentage (3% for HTT). The provisions of the OLO are continuous and the option may be cancelled by either the insured or by the company by giving written notice on or before the cancellation date. **The OLO is not available for banana and papaya trees.**

To be eligible, the insured must:

- Have obtained insurance coverage for coffee.
- Elect the OLO on the application, or form approved by the company, on or before the sales closing date.
- Pay the additional premium indicated on the actuarial documents for coverage.
- Have not elected coverage under the Catastrophic Risk Protection Endorsement.

Indemnity Calculation

For trees within a unit that are dead or destroyed (as specified in section 13(b)(1) and (2)of the crop provisions) due to an insurable cause of loss and for which the number of dead or destroyed trees is in excess of three **percent** of the trees in the unit, the loss will be determined by:

Step 1) Multiplying the number of dead or destroyed trees (by age) in the unit (since the beginning of the crop year) by the tree reference price for the age of the tree and totaling the results;

Step 2) Multiplying the result of Step 1 by the coverage level for the unit;

Step 3) Multiplying the result of Step 2 by the insured's share:

Step 4) Multiplying the result of Step 3 by the underreport factor, and:

Step 5) Subtracting any indemnity previously paid for the current crop year from Step 4 to determine the indemnity owed for the damage as a result of the most recent insurable cause of loss.

Example: OLO - Indemnity Calculation

Joe Farmer has 500 insured coffee trees and a coverage level of 75%. After a hurricane, 225 of his trees are considered dead. He has 100% share of the trees and has not been previously been paid any indemnities. The number of dead trees (225) exceeds 3 percent of the insurable trees in the unit (15 trees). His tree ages and values are as follows:

Insured Coffee Trees:	
200 trees, 2 years old, $19.00 reference price =	$3,800 total value
300 trees, 5 years old, $28.00 reference price =	$8,400 total value
	$12,200
Dead Coffee Trees:	
75 trees, 2 years old, $19.00 reference price =	$1,425 total value
150 trees, 5 years old, $28.00 reference price =	$4,200 total value
	$5,625

To determine the indemnity using the above steps:

Step 1)	(75 × $19.00) + (150 × $28.00) =	$5,625
Step 2)	$5, 625 × 75%=	$4,219
Step 3)	$4,219 × 100% =	$4,219
Step 4)	$4,219 × 1.000 =	$4,219
Step 5)	$4,219 - $0.00 =	$4,219

SUMMARY

In this chapter, the HTT Crop Provisions were outlined. The primary items discussed in the chapter were:

- ✓ Definitions
- ✓ Unit structure
- ✓ Crop specific exceptions and requirements
- ✓ Nematodes, BBTV, and PRV and how they are addressed in the provisions
- ✓ The concept of "dead or alive" and the definitions of a dead tree
- ✓ Insurance eligibility and producer and acreage/crop requirements
- ✓ Settlement of claim and premium calculations
- ✓ The Occurrence Loss Option

QUESTIONS

1) The amount of insurance is calculated by multiplying the number of insurable trees reported at each age times the applicable tree reference price for the age, adding these values, multiplying the result by the _____, and then multiplying by the insured's share.
    a. Guarantee
    b. Coverage level
    c. CTV reference price
    d. Yield

2) Which crop is not covered under the HTT Pilot Insurance Program?
    a. Bananas
    b. Coffee
    c. Avocado
    d. Papaya

3) The crop year for coffee is different from the other crops.
    a. True
    b. False

4) A cultural practice for coffee that severely prunes or cuts back the tree.
    a. Set out
    b. Stumping
    c. Scaffolding
    d. Resetting
    e. None of the above

5) If allowed by the Special Provisions, which of the following unit structures is allowed?
    a. Optional units by type
    b. Optional units by irrigated and non-irrigated practices
    c. Whole farm units
    d. Optional units by section equivalent

6) The annual acreage report must include the following:
    a. Number of insurable and uninsurable trees
    b. Age of insurable and uninsurable trees
    c. Number of trees that have been replaced during the prior crop year
    d. All of the above

CHAPTER 3: COMPREHENSIVE TREE VALUE (CTV) ENDORSEMENT

INTRODUCTION

This chapter of the training manual reviews the Comprehensive Tree Value Endorsement (CTVE). The Comprehensive Tree Value Endorsement is a supplemental endorsement to the HTT Pilot Provisions and the Common Crop Insurance Policy Basic Provisions. **The CTVE is available for coffee and papaya trees only.**

LEARNING OBJECTIVES

At the end of this Chapter, you should be able to:

- ✓ Understand the CTVE definitions and how they differ from the HTT Pilot Corp Provisions
- ✓ Understand producer and acreage eligibility
- ✓ Identify for which crops CTVE is available
- ✓ Calculate the CTV amount of insurance and CTV unit value
- ✓ Calculate the potential indemnity payment (settlement of claim)

LESSON

DEFINITIONS

The following definitions are included to further understanding of the Comprehensive Tree Value Endorsement. Please note that the definitions for *amount of insurance* and *crop* are different than those same terms listed in the HTT crop provisions.

CTV AMOUNT OF INSURANCE

The dollar amount (by unit) calculated by multiplying the number of insurable trees of each crop reported by age times the applicable CTV reference price for the age, adding these values, then multiplying the result times the coverage level selected by the insured, and then multiplying by the result times the insured's share.

CTV Amount of Insurance = *Sum (Number of insurable trees by age x CTV reference price by age) x Coverage level x Insured's share*

CTV Reference Price

The price per tree by tree age listed on the actuarial documents for tree value replacement that is used in calculating the CTV unit value, the CTV amount of insurance, and the indemnity.

CTV Underreport Factor

The result of dividing the CTV amount of insurance by the CTV unit value, rounded to two decimal places and not to exceed 1.000.

CTV Unit Value

The amount determined by multiplying the number of insurable trees in the unit on the day before the loss (but not reduced for any insured damage that occurred during the crop year) times the CTV reference prices listed in the actuarial documents for the applicable tree ages, totaling these values, multiplying the result times the coverage level selected by the insured under the Crop Provisions, and then multiplying this result times the insured's share.

Main Points

The coverage under this endorsement is limited to coffee and papaya trees.

To be eligible, the insured must:

Have a HTT Pilot insurance policy in force;

Have not elected coverage under the Catastrophic Risk Protection Endorsement; and

Pay an additional premium payment, as designated in the actuarial documents.

The following table outlines additional eligibility requirements and basic guidelines for the CTVE:

Comprehensive Tree Value Endorsement	
	The coverage level elected by the insured for his/her HTT Pilot insurance policy will apply to this endorsement.
	The provisions of this endorsement are continuous.
	The provisions of this endorsement will be made part of the insured's HTT Pilot Insurance policy if the insured elects it on or before the sales closing date.
	The endorsement may be cancelled by giving written notice on or before the cancellation date.
	If at any time the insured's HTT Pilot Insurance policy is cancelled or terminated, the endorsement will also be automatically cancelled or terminated.
	If the insured has elected the OLO, those provisions will apply to this endorsement (for coffee trees only).

CTVE Crop Comparison

In addition to the settlement of claim requirements in the HTT crop provisions, the CTVE has different provisions for coffee and papaya trees. The table below compares the CTVE settlement of claim requirements for coffee and papaya.

Action	Coffee	Papaya
Removal of Trees	Trees must be chipped and mulched or removed from the field	Dead trees may remain in the field to decompose; the destruction of papaya trees to control the spread of PRV must be performed in accordance with procedures established by PPCB and completed prior to the final settlement of the claim.
Replant	Removed trees must be replanted to coffee trees, other tropical trees or another perennial crop	There is no replant requirement
Fallow	If the loss was due to nematode infestation, the land must be fallowed for a period of time as specified in the SPOI	There is no fallow requirement
Indemnity Payment	Will be made in two installments	Will be payable in full at the time the loss is processed

Coffee Notes:

The replant must be completed within two years from the date of the claim for full payment. If the replant is not completed, there will be no refunding or discounting of premium.

In the event that the coffee trees are dead or destroyed due to an insured cause of loss, any potential indemnity payment due will be made in **two** installments:

First Half (50%)	Second Half (50%)
Payable at the time the land has been cleared and the soil treatment required (for land replanted to coffee) has been completed	Payable at the time the land has been replanted to coffee trees, another tropical tree, or any perennial crop
Grower must certify this to the insurance provider.	

Papaya Notes:

It is not a good farming practice to plant papaya trees following papaya trees.

SETTLEMENT OF CLAIM – CALCULATION AND EXAMPLE

No payment under the CTVE will be made unless there is an indemnity due for trees under the HTT Pilot Crop Provisions.

The insurance provider will determine the insured's CTV indemnity on a unit basis for the crop insured. Losses include only trees dead or destroyed due to an insurable cause of loss. In the event of loss covered under the Crop Provision, the insurance provider will determine the insured's CTV indemnity as follows:

Step 1) Multiplying the total number of insurable trees (by age) in the unit times the CTV reference price for the age of the tree and totaling the results;

Step 2) Multiplying the result obtained in Step 1 times the percent of loss determined under Section 13(a)(4) of the HTT Pilot Crop Provisions;

Step 3) Multiplying the result obtained in Step 2 by your share; and

Step 4) Multiplying the result obtained in Step 3 by the CTV underreport factor; and

Step 5) Subtracting any indemnity previously paid for the current crop year from Step 4 to determine the indemnity as a result of the most recent insurable cause of loss.

The total amount of CTV indemnities payable on a unit for the crop year is limited to the lesser of the CTV amount of insurance for the unit or the CTV unit value.

Example: Settlement of Claim

Joe Farmer has 500 insured coffee trees and a coverage level of 75%. The orchard sustained a loss due to a hurricane and 225 of his trees are considered dead. He has 100% share of the trees and has not been previously paid any indemnities. He has selected the Comprehensive Tree Value Endorsement. The percent loss determined for the HTT Pilot Crop Provisions was 45%. His tree ages and values are as follows:

Insured Coffee Trees:

200 trees, 2 years old, $3.00 CTV reference price =	$ 600
300 trees, 5 years old, $6.00 CTV reference price =	$1,800
	$2,400

To determine the settlement of claim using the above steps:

Step 1)	(200 x $3) + (300 x $6) =	$2,400
Step 2)	$2,400 × 45% =	$1,080.00
Step 3)	$1,080 × 1.000 =	$1,080.00
Step 4)	$1,080.00 × 1.000 =	$1,080.00
Step 5)	$1,080.00 - $0.00 =	$1,080.00

SUMMARY

In this chapter the Comprehensive Tree Value Endorsement was covered. The primary topics discussed in this chapter were:

- ✓ Producer eligibility
- ✓ Crop availability (coffee and papaya)
- ✓ Crop specific requirements
- ✓ Indemnity payments (settlement of claim)
- ✓ Replant, tree removal, and fallow requirements

QUESTIONS

1) The CTVE is available for which two HTT crops?
    a. Banana and papaya
    b. Banana and coffee
    c. Coffee and papaya

2) The insured must have a HTT Pilot Crop Insurance Policy in place for the CTVE to attach.
    a. True
    b. False

3) For an indemnity to be paid, under the CTVE, dead or destroyed coffee trees must be replanted to a perennial crop, other tropical trees, or coffee trees.
    a. True
    b. False

4) In the event of loss, the indemnity payment for coffee trees will be made in _____ installments.
    a. 1
    b. 2
    c. 3
    d. 4

5) Which trees, dead due to an insured cause of loss, are allowed to decompose in the field?
    a. Coffee
    b. Papaya
    c. Both a and b
    d. Neither a or b

CHAPTER 4: UNDERWRITING GUIDE

INTRODUCTION

This chapter covers the main concepts of the HTT Pilot Crop Insurance Underwriting Guide (UG). In general, most of the information found in the HTT UG is also found in the HTT Crop Provisions and there is repetition. For example, the definitions and the insurance eligibility requirements in the two documents are identical, and therefore, will be noted as such and not listed again. Also, the HTT UG supplements the Crop Insurance Handbook, and unless noted in the UG, the CIH applies.

NOTE: The Crop Insurance Handbook (FCIC 18010) (CIH) applies to the HTT program. No modifications to the CIH were made as a result of this program except for crop specific additions or revisions as specified in the Guide. Refer to previous training provided regarding the CIH for non crop-specific underwriting requirements and other underwriting issues not addressed in this chapter as they apply to the HTT program.

LEARNING OBJECTIVES

At the end of this Chapter, you should be able to:

- ✓ Identify the sections of the UG that are also in the HTT Pilot Crop Provisions.
- ✓ Calculate the Amount of Insurance.
- ✓ Determine agent responsibility.

LESSON

3. DEFINITIONS

The definitions listed in the Underwriting Guide are identical to those in the HTT Pilot Crop Provisions. *See Chapter2, Section 1 of this Training Guide.*

5. COVERAGE INFORMATION

Coverage information concerning the Amount of Insurance, Amount of Insurance Limitation for Additional Trees, and Comprehensive Tree Value Endorsement listed in the Underwriting Guide are identical to the HTT Pilot Crop Provisions *-See Chapter 2, Sections 1 and 3 and Chapter 3 of this Training Guide.*

DETERMINING AGE (YEAR OF GROWTH)

For insurance purposes, tree age will be determined on December 31st according to the following table:

Year	Months After Set Out
1	≤12
2	13-24
3	25-36
4	37+

Examples: Determining Age

1) A papaya seed that is direct seeded into a field 6 months prior to January1 is considered 1 year old.
2) A coffee plant that was transplanted into a field 38 months prior to January 1 is considered 4 years old.

IMPORTANT DATES

Dates	Banana, Coffee, and Papaya
Contract Change	September 30, preceding the cancellation date
Cancellation, Termination, and Sales Closing	December 31
Acreage Reporting	February 15
Beginning of Insurance Period	January 1
End of Insurance Period	December 31
	Or, upon determination of the total destruction of insured trees for the unit.

6. INSURED CROP

INSURABILITY

The trees insured will be all those of each crop in the county for which the producer elects coverage and a premium rate is provided on the actuarial documents:

- That are grown to produce a crop intended to be sold for human consumption;
- For which the producer provides evidence of at least 4 consecutive years of experience growing the crop, excluding the year of setout;
- That are inspected and accepted by the Insurance Provider; and
- In which the producer has a share.
- Insurable trees interplanted with other trees or perennial crops are insurable, unless the Insurance Provider inspects the acreage and determines that it is not insurable.

TREES THAT ARE NOT INSURABLE:

- Any trees determined by the Insurance Provider to be dead, unsound, diseased, unhealthy, toppled or uprooted;
- Grown on acreage designated on the actuarial documents as uninsurable;
- Papaya trees that:
  - Were planted less than 12 months prior to December 31 preceding the crop year;
  - Were planted on acreage where papaya trees grew the previous year; or
  - Have reached age 4 before the beginning of the crop year (January 1).
- Coffee trees that were transplanted (set out) on acreage where coffee trees were determined to be dead in accordance with the HTT Crop Provisions due to a nematode infestation, unless:
  - Dead trees have been either chipped and mulched or removed from the intended replanting site,
  - Soil treated in accordance with recommendation of an agricultural expert, and
  - Site was fallowed for the period of time contained in the Special Provisions.

If the Insurance Provider determines that any trees in a unit are infected with BBTV or PRV before insurance attaches, then none of the trees in the unit will be insured, unless:

- The applicant obtains laboratory tests that indicate none of the trees identified by the Insurance Provider are infected with PRV or BBTV, or
- The applicant destroys the infected trees and a subsequent inspection finds no evidence of BBTV or PRV.
- Negative test results must be based on samples drawn no more than 60 days before the date insurance attaches and submitted to the Insurance Provider within the 60-day period after the date of rejection in order for insurance to attach to the unit for the initial crop year.

8. Reporting Requirements

In order to verify that the insurability requirements for each crop have been met, the Insurance Provider will conduct a pre-acceptance inspection. The forms listed below, or other forms approved by RMA, can be used to report the required information and any other information determined to be necessary by the Insurance Provider.

Orchard Location Plat Map

This form should be completed by the producer, with the assistance of the Insurance Provider, at the time of application, and updated by the policyholder in subsequent years on or before the acreage reporting date.

An example and instructions are provided in Exhibit 1 of the HTT UG.

HTT Orchard Inspection Report

This from should be completed by the Insurance Provider's inspector for:

- The initial crop year for all applicants; and
- In subsequent crop years for carryover policyholders under conditions listed in section 9 of the HTT UG.

An example and instructions for completing an inspection report are provided in Exhibit 2 of the HTT UG.

Acreage Report

In addition to the acreage report requirements contained in Section 6 of the Basic Provisions, the applicant/policyholder is required to report by unit for each insured crop the following additional information:

- The number of insurable and uninsurable trees of each age within each unit, on separate lines.
- The rate class designation associated with tree ages from the actuarial documents.
- The date set out was completed.
- The number of trees replaced and the number of trees removed and not replaced during the previous crop year.

The producer will report the ages of insured trees based on his/her records and the definition of age found in the HTT Pilot Crop Provisions. The agent will assist the insured in correctly reporting his/her trees (by age) and tree acreage.

An example and instructions for completing an acreage report are provided in Exhibit 3 of the HTT UG.

9. INSPECTION REQUIREMENTS

ORCHARD INSPECTIONS ARE REQUIRED:

- For all new applicants;
- For added land units (land not previously in the operation);
- When the acreage or number of trees within a unit increases 10 percent or more from the previous crop year;
- After any trees have been destroyed to control the spread of BBTV or PRV; and
- Whenever initiated by the Insurance Provider.

LOOK FOR THE FOLLOWING SYMPTOMS OF PRV ON PAPAYA TREES:

- Yellowing and stunting of the crown;
- Mottling (spotting and/or streaking) of the foliage;
- Veinal chlorosis (yellow veins) of leaves, especially younger leaves;
- Shoe-stringing of younger leaves;
- Water-soaked streaking of petioles (stalks); and
- Small darkened rings on the surface of the fruit.

LOOK FOR THE FOLLOWING SYMPTOMS OF BBTV ON BANANA TREES:

- Stunting of leaves, resulting in a "bunched" appearance;
- Stunted keiki (young shoots);
- Little or no fruit set;
- Narrow, yellow, and brittle leaves; and
- Dark green streaks on the leaf stalks.

TIMELINESS OF INSPECTIONS:

- Inspections involving applications filed between December 2 and January 1 (of the INITIAL crop year) should be completed promptly so that the application, if accepted, can be processed within 30 days of the date of application.
- Inspection of units that were previously infected with BBTV or PRV will be performed by the Insurance Provider no more than 60 days prior to the date insurance attaches.
- See Section 7F(5) of the CIH for deadlines applicable for all other circumstances.

SUMMARY

The primary things to remember from the chapter are:

- ✓ The HTT UG lists information, including definitions and insurability requirements that are also found in the HTT Pilot Crop Provisions.
- ✓ Tree age determination and verification are important. Agents need to confirm that the acreage report was filled out correctly and may need to assist the insured in completing the necessary forms.
- ✓ The HTT program utilizes three types of underwriting forms.

QUESTIONS

1) The majority of Section 5 *(Coverage Information)* of the UG can also be found in the HTT Pilot Crop Provisions.
    a. True
    b. False

2) An HTT Orchard Inspection Report does not need to be completed for new (additional) units.
    a. True
    b. False

3) The following trees are not insurable:
    a. Trees in units where the inspector has found trees infected with BBTV or PRV
    b. Papaya trees that have reached age 5 before the beginning of the crop year.
    c. Toppled or uprooted trees
    d. All of the above

4) The HTT Underwriting Guide provides instructions for completing which of the following forms:
    a. Orchard Location Plat Map, Acreage Report, and Crop Addendum Worksheet
    b. Orchard Location Plat Map, Acreage Report, and Production Worksheet
    c. Producers Pre-Acceptance Worksheet, Acreage Report, and Location Plat Map
    d. Orchard Location Plat Map, Acreage Report, and HTT Orchard Inspection Report

5) Applicants should complete the HTT Orchard Inspection Report with the assistance of their insurance agent, as needed.
    a. True
    b. False

CHAPTER 5: LOSS ADJUSTMENT STANDARDS HANDBOOK

INTRODUCTION

The Loss Adjustment Standards Handbook (LASH) identifies the requirements for adjusting Multiple Peril Crop Insurance (MPCI) losses under the Hawaii Tropical Tree (HTT) Pilot Crop Provisions. Step-by-step instructions provide the adjuster with the information needed to accurately complete the Crop Appraisal and Production Worksheets for the Base Policy, Occurrence Loss Option and Comprehensive Tree Value Endorsement.

NOTE: The Loss Adjustment Manual (FCIC 25010) (LAM) applies to the HTT program. No modifications to the LAM were made as a result of this program. Refer to previous training provided regarding the LAM for non crop-specific insurance requirements and issues not addressed in this chapter as they apply to the HTT program.

LEARNING OBJECTIVES

In this chapter, you should:

- ✓ Understand the differences between claim settlement for the Base Policy and CTVE.
- ✓ Understand how the OLO selection supplements the Base Policy (with and without the CTVE).
- ✓ Have sufficient knowledge to complete the Appraisal and Production Worksheets.

OVERVIEW OF THE LASH

The purpose of the LASH is to assist the adjuster in determining when a claim is filed, whether an appraisal is needed, and (if applicable) provide instruction in completing the Crop Appraisal and Production Worksheets.

The HTT Base Policy provides general coverage for the crop. Two optional coverages to the Base Policy are available to the insured. The Occurrence Loss Option (OLO) and the Comprehensive Tree Value Endorsement (CTVE) may be purchased for an additional premium.

The OLO changes the deductible to a per tree basis, instead of a per unit basis, once the loss has exceeded a certain percentage of dead or destroyed trees (3% for HTT). The OLO option allows an indemnity to be paid on losses beginning with tree one instead of having to meet the applicable per unit deductible.

The Comprehensive Tree Value Endorsement is calculated differently than the OLO. The LASH provides the instruction needed to complete these claims.

Two separate worksheets (Appraisal and Production) are completed when calculating the value of production to count. The Appraisal Worksheet determines the number of trees damaged by a covered peril and the percent damage to the unit. The Production Worksheet compiles the information obtained from the Appraisal Worksheet, to determine the value of production to count, which will be used in calculating any potential indemnity payment.

The LASH Training Section will provide a more in-depth discussion on completing the Appraisal and Production Worksheets.

For Agent training purposes, the instructor should emphasize this training is a general overview of the LASH. For more specific information, please consult the LASH.

It is recommended that the Instructor have a copy of the HTT LASH available for review during the presentation of the training instruction.

INTRODUCTION

The purpose of the Introduction section of the LASH is to inform the adjuster to use the LASH in conjunction with and not separate from the Loss Adjustment Manual.

SPECIAL INSTRUCTIONS

The insured should receive copies of all forms completed by the loss adjustor. The insurance provider is responsible for maintaining original insurance documents. Terms, abbreviations and definitions from the crop provisions are repeated in the HTT LASH.

INSURANCE CONTRACT INFORMATION

- ### INSURABILITY

  The insurability section defines specific requirements for the crop as defined in the HTT Pilot Crop Provisions and Underwriting Guide. The adjuster needs to be aware of these requirements when performing an appraisal.

- ### UNIT VALUE DETERMINATIONS

  This program is based on individual tree coverage; therefore, unit acreage is not required. Trees are insured by age, as specified on the actuarial documents. For each age, the number of reported insurable trees is multiplied by the Tree Reference Price (or the CTV Reference Price if the CTVE is elected) from the actuarial documents for the county.

APPRAISAL WORKSHEET

The Appraisal Worksheet is used to record data that will be transferred to the Production Worksheet to assist the adjuster in completing the claim. The first 144 trees can be recorded in the Tree Count Section (Part III) of the Appraisal Worksheet. Continuation sheets that record an additional 239 trees per page should be added until all trees in the unit have been accounted for on the worksheet.

Page one of the Appraisal Worksheet is divided into three parts. Part I requests information such as the insured's name, policy number and crop/type/practice. Part II calculates the value of dead and destroyed trees and original trees and the percent damage and percent dead and destroyed using the Tree Reference Price (TRP). This data will be used in Production Worksheet calculations. Under Part III, the adjuster records the data from the tree count performed in the field.

When completing the CTVE appraisal, worksheet Part III may be omitted. Part I information is transferred from Part I of the Base Policy Appraisal Worksheet. Part II is the only portion different from the Base Appraisal Worksheet and uses CTV Reference Prices to calculate the total tree and dead and destroyed tree values.

The Appraisal Worksheet for the Base Policy or Base Policy with OLO are completed on the Appraisal Worksheet identified in the heading with a Base Policy designation., The CTVE or the CTVE with OLO are completed on a separate worksheet from the Base Policy Appraisal Worksheet and is identified in the heading with a CTVE designation.

The Base Policy and the Base Policy with CTVE must be completed using separate Appraisal Worksheets. The Base Policy worksheet when completed will be attached to the CTVE worksheet for the purpose of documenting the tree counts used to determine applicable Part II entries for the CTVE.

- ## GENERAL INFORMATION

(1) The Appraisal Worksheet for the Base Policy is completed first. If CTVE coverage was elected, information from the Base Policy Appraisal Worksheet may be transferred to the CTVE Worksheet.

(2) Separate Appraisal Worksheets are required for each unit inspected and by practice or type, if separate practices or types are specified on the Special Provisions.

(3) If the insured has elected the CTVE, the adjuster will complete two separate Appraisal Worksheets: the first for the HTT Pilot Crop Provisions (Base Policy) utilizing the tree reference prices and the second for the CTVE utilizing the CTV reference prices.

(4) If it was determined that no appraisal was needed for the Base Policy, no appraisal will be needed for the CTVE. Appraisal Worksheets will not to be completed.

- ## APPRAISAL WORKSHEET ORDER OF COMPLETION

BASE POLICY

(a) **PART I – Insured's Information**

(b) **PART III – Appraisal and Tree Count**

(c) **PART II – Percent Dead**

The instructions for the Base Policy and the Base Policy with OLO are identical except where otherwise noted.

COMPREHENSIVE TREE VALUE REPLACEMENT ENDORSEMENT

(a) **PART I – Insured's Information**

(b) **PART II – Percent Dead**

- ## COMPREHENSIVE TREE VALUE ENDORSEMENT INFORMATION

(1) Complete the CTVE Appraisal Worksheet after completing the Base Policy Appraisal Worksheet.

(2) When the CTVE is selected, the percent of damage determined in the Appraisal Worksheet completed for the Base Policy will be the same percent of damage used in the CTVE Appraisal Worksheet.

(3) Completion of Part III or Continuation Sheets are not necessary. The Base Policy worksheet and Continuation Sheets are used to establish insurable tree count and the number of dead/destroyed trees.

(4) The instructions for CTVE and the CTVE with OLO are identical, except where otherwise noted.

PRODUCTION WORKSHEET (CLAIM FORM)

The Production Worksheet (Claim Form) uses data transferred from applicable Base and CTVE Appraisal Worksheets to calculate separate values of production to count and indemnities for the Base Policy and CTVE claims. The actual dollar amount of indemnity is not calculated on the HTT Production Worksheet.

The value of production to count is calculated by multiplying total value of trees by the percent of tree value remaining. The unit guarantee (Stage Guarantee) is calculated by multiplying the total number of trees times the tree reference price, times the coverage level. The result of subtracting the total value of production to count from the total unit guarantee (Stage Guarantee) multiplied

by the underreport factor equals the amount of indemnity. If CTVE was elected, the CTVE Production Worksheet would calculate the respective value of production to count, unit guarantee, and indemnity from the information contained on the CTVE Appraisal Worksheet that was completed using the CTV Reference Prices.

When elected, OLO coverage attaches to the Base Policy (for eligible crops) and also attaches to the CTVE (for eligible crops), if CTVE coverage was selected. If the OLO claim qualifies by exceeding a 3% damage trigger for the unit, the value of production to count will be calculated by subtracting the total value of dead trees from the total value of trees and then multiplying by the coverage level. If the number of dead/destroyed tress is not greater than 3% of the trees in the unit, then no indemnity is due and a Production Worksheet should not be completed for the Base Policy or the CTVE.

Example: Appraisal and Production Worksheet Completion Example

The adjuster determines that Joe Farmer has 350 insured coffee trees (50 are 2 years old with a $19.00 TRP and 300 are 6 years old with a $28.00 TRP). He has a coverage level of 75% (25% deductible) and his share is 100%. Twenty-eight (28) of the 2 year old and 120 of the 6 year old trees were destroyed. The underreport factor is 1.000.

The percent loss is 16.6%, determined as follows:

= ([(28 trees × $19 TRP) + (120 trees × $28 TRP)] ÷ [(50 trees × $19TRP) + (300 trees × $28 TRP)]) – 25% deductible
= [($532 + $3,360) ÷ ($950 + $8,400)] – 25% deductible
= $3,892 ÷ $9,350) – 25% deductible
= 41.6% - 25%
= 16.6%

The percent remaining is 58.4% (75% coverage level – 16.6% loss)

The unit guarantee (stage guarantee) is determined as follows:

= [(50 trees × $19.00 TRP) + (300 trees × $28.00 TRP)] × 0.75
= [$950 + $8,400] × 0.75
= **$7,013**

The Value of Production to Count is determined as follows:

= [(50 trees × $19.00 TRP) + (300 trees × $28.00 TRP)] × 0.584 (% remaining)
= ($950 + $8400) × 0.584(% remaining)
= **$5,461**

Amount of Indemnity would be:

= [$7,013 (unit guarantee) – $5,461 (value of production to count)]
× 1.000 underreport factor × 1.000 (share)
= $1,552

Please review the following appraisal and production worksheets and follow the entries that calculate the Value of Production to Count and the unit guarantee (Stage Guarantee) for this grower.

COMPANY	ANY COMPANY		CLAIM NO.	XXXXXXX

FOR ILLUSTRATION PURPOSES ONLY

HAWAII TROPICAL TREES APPRAISAL WORKSHEET

Base Policy	√	**CTVE**	

PART I: INSURED'S INFORMATION

1 NAME OF INSURED	**2** POLICY NUMBER	**3** COUNTY	**4** UNIT NUMBER	**5** CROP/TYPE/PRACTICE	**6** CROP YEAR
Joe Farmer	XXXXXXXX	Hawaii	00100	XXXX/XXX/XXX	YYYY

PART II: PERCENT DEAD

Field ID/Plot Number **7**	Number of Trees **8**	Number of Trees by Age of Tree **9**	Value per Tree by Age of Tree **10**	Total Value by Age of Tree (**9** x **10**) **11**	Number of Dead Trees by Age of Tree **12**	Total Value of Dead Trees by Age of Tree (**12** x **10**) **13**	Percent Damage (Total **13** ÷ Total **11**) **14**	% Dead Trees (Total 12 ÷ Total 9) **15**	Deductible **16**	Applicable Percent of Loss **17**	Value of Production To Count **18**
2A	350	1)	1)	1)	1)	1)	0.416	0.423			1)
		2) 50	2) 19.00	2) 950	2) 28	2) 532					2)
		3)	3)	3)	3)	3)					3)
		4) 300	4) 28.00	4) 8,400	4) 120	4) 3,360					4)
		Total) 350		**Total)** $9,350	**Total)** 148	**Total)** $3,892					**Total)**

PART III: APPRAISAL AND TREE COUNT

a. TREES UNINSURABLE _______ b. TREES DEAD BY UNINSURED CAUSES _______

	Number	Age	Dead		Number	Age	Dead		Number	Age	Dead		Number	Age	Dead		Number	Age	Dead		Number	Age	Dead		Number	Age	Dead		Number	Age	Dead
	19	**20**	**21**		**19**	**20**	**21**		**19**	**20**	**21**		**19**	**20**	**21**		**19**	**20**	**21**		**19**	**20**	**21**		**19**	**20**	**21**		**19**	**20**	**21**
1	√	2	√	19	√	2		37	√	2	√	55	√	4	√	73	√	4		91	√	4	√	109	√	4	√	127	√	4	
2	√	2	√	20	√	2		38	√	2	√	56	√	4		74	√	4		92	√	4		110	√	4	√	128	√	4	
3	√	2	√	21	√	2	√	39	√	2	√	57	√	4		75	√	4	√	93	√	4		111	√	4	√	129	√	4	√
4	√	2	√	22	√	2		40	√	2		58	√	4		76	√	4	√	94	√	4	√	112	√	4		130	√	4	√
5	√	2	√	23	√	2		41	√	2		59	√	4	√	77	√	4		95	√	4		113	√	4	√	131	√	4	
6	√	2	√	24	√	2	√	42	√	2		60	√	4	√	78	√	4	√	96	√	4	√	114	√	4	√	132	√	4	√
7	√	2	√	25	√	2		43	√	2		61	√	4		79	√	4	√	97	√	4	√	115	√	4		133	√	4	√
8	√	2	√	26	√	2		44	√	2	√	62	√	4		80	√	4	√	98	√	4		116	√	4	√	134	√	4	√
9	√	2	√	27	√	2		45	√	2	√	63	√	4	√	81	√	4	√	99	√	4		117	√	4	√	135	√	4	√
10	√	2	√	28	√	2	√	46	√	2		64	√	4	√	82	√	4		100	√	4		118	√	4		136	√	4	√
11	√	2	√	29	√	2	√	47	√	2	√	65	√	4	√	83	√	4		101	√	4	√	119	√	4	√	137	√	4	√
12	√	2	√	30	√	2		48	√	2	√	66	√	4	√	84	√	4		102	√	4	√	120	√	4	√	138	√	4	√
13	√	2		31	√	2		49	√	2		67	√	4		85	√	4	√	103	√	4	√	121	√	4		139	√	4	√
14	√	2	√	32	√	2		50	√	2	√	68	√	4	√	86	√	4	√	104	√	4	√	122	√	4	√	140	√	4	√
15	√	2		33	√	2		51	√	4		69	√	4	√	87	√	4		105	√	4	√	123	√	4	√	141	√	4	
16	√	2		34	√	2		52	√	4	√	70	√	4	√	88	√	4	√	106	√	4	√	124	√	4		142	√	4	√
17	√	2	√	35	√	2	√	53	√	4	√	71	√	4	√	89	√	4	√	107	√	4	√	125	√	4		143	√	4	√
18	√	2	√	36	√	2		54	√	4	√	72	√	4	√	90	√	4	√	108	√	4	√	126	√	4	√	144	√	4	√

22 Total Counted (pg 1)	144		92		
23 Total Counted (continuation sheets)	206		56		
24 Grand Total	350		148		

	1-year-old trees	2-year-old trees	3-year-old trees	4-year-old trees
25 TOTAL COUNTED BY AGE OF TREE	1) __________	2) _50_______	3) __________	4) __300________
26 TOTAL DEAD BY AGE OF TREE	1) __________	2) _28______	3) __________	4) __120________

27 ADJUSTER'S SIGNATURE	CODE NUMBER	DATE	**28** INSURED'S SIGNATURE	DATE
I.M. ADJUSTER	XXXXXXX	MM/DD/YYYY	I.M. INSURED	MM/DD/YYYY

FOR ILLUSTRATION PURPOSES ONLY

HAWAII TROPICAL TREES APRRAISAL WORKSHEET (CONTINUATION SHEET)

1 NAME OF INSURED	**2** POLICY NUMBER	**3** COUNTY	**4** UNIT NUMBER	**5** CROP/TYPE/PRACTICE	**6** CROP YEAR
Joe Farmer	XXXXXXXX	Hawaii	00100	XXXX/XXX/XXX	2005

PART III: APPRAISAL AND TREE COUNT, continued

a. TREES UNINSURABLE – TREES DEAD BY UNINSURED CAUSES

	Number	Age	Dead		Number	Age	Dead		Number	Age	Dead		Number	Age	Dead		Number	Age	Dead		Number	Age	Dead		Number	Age	Dead		Number	Age	Dead
	19	**20**	**21**		**19**	**20**	**21**		**19**	**20**	**21**		**19**	**20**	**21**		**19**	**20**	**21**		**19**	**20**	**21**		**19**	**20**	**21**		**19**	**20**	**21**
145	√	6	√	175	√	6	√	205	√	6		235	√	6		265	√	6		295	√	6		325	√	6		355			
146	√	6	√	176	√	6	√	206	√	6		236	√	6		266	√	6		296	√	6		326	√	6		356			
147	√	6	√	177	√	6	√	207	√	6		237	√	6		267	√	6		297	√	6		327	√	6		357			
148	√	6	√	178	√	6	√	208	√	6		238	√	6		268	√	6		298	√	6		328	√	6		358			
149	√	6	√	179	√	6	√	209	√	6		239	√	6		269	√	6		299	√	6		329	√	6		359			
150	√	6	√	180	√	6	√	210	√	6		240	√	6		270	√	6		300	√	6		330	√	6		360			
151	√	6	√	181	√	6	√	211	√	6		241	√	6		271	√	6		301	√	6		331	√	6		361			
152	√	6	√	182	√	6	√	212	√	6		242	√	6		272	√	6		302	√	6		332	√	6		362			
153	√	6	√	183	√	6	√	213	√	6		243	√	6		273	√	6		303	√	6		333	√	6		363			
154	√	6	√	184	√	6	√	214	√	6		244	√	6		274	√	6		304	√	6		334	√	6		364			
155	√	6	√	185	√	6	√	215	√	6		245	√	6		275	√	6		305	√	6		335	√	6		365			
156	√	6	√	186	√	6	√	216	√	6		246	√	6		276	√	6		306	√	6		336	√	6		366			
157	√	6	√	187	√	6	√	217	√	6		247	√	6		277	√	6		307	√	6		337	√	6		367			
158	√	6	√	188	√	6	√	218	√	6		248	√	6		278	√	6		308	√	6		338	√	6		368			
159	√	6	√	189	√	6	√	219	√	6		249	√	6		279	√	6		309	√	6		339	√	6		369			
160	√	6	√	190	√	6	√	220	√	6		250	√	6		280	√	6		310	√	6		340	√	6		370			
161	√	6	√	191	√	6	√	221	√	6		251	√	6		281	√	6		311	√	6		341	√	6		371			
162	√	6	√	192	√	6	√	222	√	6		252	√	6		282	√	6		312	√	6		342	√	6		372			
163	√	6	√	193	√	6	√	223	√	6		253	√	6		283	√	6		313	√	6		343	√	6		373			
164	√	6	√	194	√	6	√	224	√	6		254	√	6		284	√	6		314	√	6		344	√	6		374			
165	√	6	√	195	√	6	√	225	√	6		255	√	6		285	√	6		315	√	6		345	√	6		375			
166	√	6	√	196	√	6	√	226	√	6		256	√	6		286	√	6		316	√	6		346	√	6		376			
167	√	6	√	197	√	6	√	227	√	6		257	√	6		287	√	6		317	√	6		347	√	6		377			
168	√	6	√	198	√	6	√	228	√	6		258	√	6		288	√	6		318	√	6		348	√	6		378			
169	√	6	√	199	√	6	√	229	√	6		259	√	6		289	√	6		319	√	6		349	√	6		379			
170	√	6	√	200	√	6	√	230	√	6		260	√	6		290	√	6		320	√	6		350	√	6		380			
171	√	6	√	201	√	6		231	√	6		261	√	6		291	√	6		321	√	6		351				381			
172	√	6	√	202	√	6		232	√	6		262	√	6		292	√	6		322	√	6		352				382			
173	√	6	√	203	√	6		233	√	6		263	√	6		293	√	6		323	√	6		353				383			
174	√	6	√	204	√	6		234	√	6		264	√	6		294	√	6		324	√	6		354				384			

								23 Total Counted (continuation sheets)	206		56
27 ADJUSTER'S SIGNATURE	CODE NUMBER	DATE	**28** INSURED'S SIGNATURE	DATE							
I.M. ADJUSTER	XXXXXXX	MM/DD/YYYY	I.M INSURED	MM/DD/YYYY							
				Page _2__ of _2_ pgs.							

PRODUCTION WORKSHEET EXAMPLE (Base Policy)

PRODUCTION WORKSHEET (For Illustration Purposes Only)

1. Crop/Code #	2. Unit #	3. Legal Description	7. Company	8. Name of Insured
XXXX Coffee Trees	00100	12 Sunshine Road Kona, HI	ANY COMPANY	Joe Farmer

9. Claim #	11. Crop Year
XXXXXXXX	YYYY

4. Date of Loss	5. Cause of Loss	6. Primary Cause %	Agency	10. Policy #
Jul19	WIND	65%	ANY AGENCY	XXXXXXXX

12. Additional Units	13. Est. Prod. Per Acre	14. Date(s) Notice of Loss	1st	2nd	Final
0200 0300 0400			MM/DD/YYYY		MM/DD/YYYY
		15. Companion Policy(ies)			

SECTION I - ACREAGE APPRAISED, PRODUCTION AND ADJUSTMENTS

Actuarial									Potential Yield						Stage Guarantee	
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
Field ID /Plot ID	Prelim Trees	Final Trees	Interest or Share	Rate Class	Practice	Type Class Variety	Reference Price	Coverage Level	Tree Value	Value of Dead Trees	% Damage	% Loss	% Remaining	Value of Production to Count	Per Tree	Total
2A		50	1.000	D02	002	997	19.00	.750	950	532	0.416	0.166	0.584	554.80	14.25	712.50
2A		300	1.000	D04	002	997	28.00		8,400	3,360				4,905.60	21.00	6,300.00
16. URF		1.00											17. TOTALS	5,460.00		7,013.00

NARRATIVE (If more space is needed, attach a Special Report)
The unit value did not exceed the amount of insurance ($7,013.00); URF = 1.00. No prior indemnities paid.

SECTION II - HARVESTED PRODUCTION

18. DATE HARVEST/SALE COMPLETED	19. IS LOSS SIMILAR TO OTHER FARMS IN THE AREA?	20. ASSIGNMENT OF INDEMNITY?	21. TRANSFER OF RIGHT TO INDEMNITY?
MM/DD/YYYY	X Yes ☐ No	☐ Yes X No	☐ Yes X No

MEASUREMENTS					GROSS PRODUCTION				ADJUSTMENTS TO HARVESTED PRODUCTION									
A1 /A2	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
Share Field ID	Length of Diameter	Width	Depth	Deduction	Net Cubic Feet	Conversion Factor	Gross Prod. (F x G)	Bu. Ton Lbs. CWT	Shell/Sugar Factor	FM% Factor	Moisture % Factor	Test Wt. Factor	Adjusted Production	Production Not to Count	Production (N - O)	Value Mkt Price	Quality Factor	Production to Count (P x R)

I certify the information provided above, to the best of my knowledge, to be true and complete and that it will be used to determine my loss, if any, to my insured crops. I understand that this Production Worksheet and supporting papers are subject to audit and approval by the company. I understand that this crop insurance is subsidized and reinsured by the Federal Crop Insurance Corporation, an agency of the United States. I understand that any false or inaccurate information may result in the sanctions outlined in my policy and administrative, civil, and criminal sanctions under 18 U.S.C. §§ 1006 and 1014, 7 U.S.C. § 1506, 31 U.S.C.§§ 3729 and 3730 and other federal statutes.

22. SECTION II TOTAL	
23. SECTION I TOTAL	
24. UNIT TOTAL	

25. Adjuster's Signature (1st inspection)	Code #	Date	26. Insured's Signature (1st inspection)	Date
I. M. ADJUSTER	XXXXX	MM/DD/YY	I. M. INSURED	MM/DD/YYYY
(2nd inspection)	Code #	Date	(2nd inspection)	Date
(Final inspection) I. M. ADJUSTER	Code # XXXXX	Date MM/DD/YY	(Final inspection) I. M. INSURED	Date MM/DD/YYYY

27. Page 1 of 1

SUMMARY

The primary information to remember from this chapter is:

- ✓ The Appraisal Worksheet determines the field entries for the Production Worksheet
- ✓ The Production Worksheet determines the Value of Production to Count
- ✓ Understand the difference between a Base and CTVE Policy
- ✓ Understand with OLO, the unit percent dead or destroyed trees must exceed 3%
- ✓ Understand how to accurately complete the Appraisal and Production Worksheets

QUESTIONS

(1) The total number of Appraisal and Production Worksheets that would be completed by the adjuster for a Basic Policy with OLO and CTVE is:
   (a) 1
   (b) 2
   (c) 3
   (d) 4

(2) The Production Worksheet records which of the following:
   (a) Amount of Indemnity
   (b) Fruit Bearing Ability
   (c) Historical Production
   (d) Value of Production to Count

(3) If the insured has elected CTVE, the percent of damage determined on the Appraisal Worksheet completed for the Base Policy will be the same percent of damage used for the CTVE.
   (a) True
   (b) False

(4) The CTVE Appraisal Worksheet varies from the Basic Policy worksheet because:
   (a) Delayed notices and delayed claims are not calculated
   (b) CTVE coverage is multiplied by the CTV Reference Price
   (c) CTVRE coverage is multiplied by the Tree Reference Price
   (d) None of the above

(5) The Production Worksheet is synonymous with the Claim Form.
   (a) True
   (b) False

CHAPTER 6: SPECIAL PROVISIONS

INTRODUCTION

This section will present information describing the format and use of the HTT Pilot Special Provisions. This actuarial document is located in the County Actuarial Book. The RMA publishes and releases the actuarial documents for each eligible county crop program prior to the contract change date listed in the HTT Pilot Crop Provisions.

Currently, the Special Provisions for the four counties in Hawaii are identical for each crop. The RMA Regional Office is responsible for updating the documents to account for county differences as needed and differences between counties may result.

The Special Provisions for the HTT Pilot Insurance Program are similar to and formatted like Special Provisions for other insured crops. Therefore, most of the information found is self explanatory.

LEARNING OBJECTIVES

At the end of this Chapter, you should be able to:

- ✓ Become familiar with the HTT Special Provisions.
- ✓ Determine which types and practices are available for each crop.
- ✓ Understand important dates and statements.

LESSON

The Special Provisions are part of the insured's crop policy. The Special Provisions take precedence over the Basic Provisions and the crop provisions. The information on the document is generally specific to the county. In addition to displaying the insurable county, crop types and practices, there are two types of information found on the document: (1) program dates and (2) statements.

Example Special Provisions are included for banana, coffee, and papaya trees.

BANANA, EXAMPLE

10/12/2006 County Actuarial Table Page 1

Special Provisions of Insurance
2007 And Succeeding Crop Years

ST: Hawaii (15) CROP: BANANA TREE (0265)
CO Hawaii (001) PLAN: Tree Based Dollar Amount of Insurance (40)

THE SPECIAL PROVISIONS OF INSURANCE IS THE PART OF THE POLICY THAT CONTAINS SPECIFIC PROVISIONS OF INSURANCE FOR THE INSURED CROP IN THIS COUNTY.

INSURABLE TYPES AND PRACTICES

TYPE(S)	PRACTICE(S)
(117) Cavendish *1	(997) No Practice Specified
(118) Brazilian *2	

PROGRAM DATES FOR INSURABLE TYPES AND PRACTICES:

SALES CLOSING	INITIAL PLANTING	FINAL PLANTING	ACREAGE REPORTING	BILLING DATE
TYPE(S)			PRACTICE(S)	
(117) Cavendish *1			(997) No Practice Specified	
(118) Brazilian *2				
12/31/2006			02/15/2007	10/01/2007

GENERAL STATEMENT(S):

Use 55% of the reference maximum price for the appropriate stage, round up to the next cent when calculating the amount of protection per unit and the unit value for catastrophic coverage (CAT) policies.

CROP STATEMENT(S):

Contact your agent regarding possible premium discounts, options, and /or additional coverage that may be available.

Coverage for the insured crop grown using an organic farming practice is provided in this county. An organic rate factor is specified on the coverage and rate table.

INSURANCE AVAILABILITY STATEMENT(S):

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, parental status, familial status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program.

COFFEE, EXAMPLE

10/12/2006 County Actuarial Table Page 1

Special Provisions of Insurance
2007 And Succeeding Crop Years

ST: Hawaii (15) CROP: COFFEE TREE (0266)
CO: Hawaii (001) PLAN: Tree Based Dollar Amount of Insurance (40)

THE SPECIAL PROVISIONS OF INSURANCE IS THE PART OF THE POLICY THAT CONTAINS SPECIFIC PROVISIONS OF INSURANCE FOR THE INSURED CROP IN THIS COUNTY.

INSURABLE TYPES AND PRACTICES

TYPE(S)	PRACTICE(S)
(997) No Type Specified	(997) No Practice Specified

PROGRAM DATES FOR INSURABLE TYPES AND PRACTICES:

SALES CLOSING	INITIAL PLANTING	FINAL PLANTING	ACREAGE REPORTING	BILLING DATE
TYPE(S)			PRACTICE(S)	
(997) No Type Specified			(997) No Practice Specified	
12/31/2006			02/15/2007	10/01/2007

GENERAL STATEMENT(S):

Use 55% of the reference maximum price for the appropriate stage, round up to the next cent when calculating the amount of protection per unit and the unit value for catastrophic coverage (CAT) policies.

CROP STATEMENT(S):

Contact your agent regarding possible premium discounts, options, and /or additional coverage that may be available.

Coverage for the insured crop grown using an organic farming practice is provided in this county. An organic rate factor is specified on the coverage and rate table.

Acreage of coffee trees considered dead due to an infestation of nematodes diagnosed by the University of Hawaii or the State of Hawaii Department of Agriculture must be fallowed for one year following the chipping and mulching or removal of the infected trees and the application of a recommended soil treatment to the affected acreage.

INSURANCE AVAILABILITY STATEMENT(S):

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, parental status, familial status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program.

PAPAYA, EXAMPLE

10/12/2006 County Actuarial Table Page 1

Special Provisions of Insurance
200X And Succeeding Crop Years

ST: Hawaii (15) CROP: PAPAYA TREE (0267)
CO: Hawaii (001) PLAN: Tree Based Dollar Amount of Insurance (90)

THE SPECIAL PROVISIONS OF INSURANCE IS THE PART OF THE POLICY THAT CONTAINS SPECIFIC PROVISIONS OF INSURANCE FOR THE INSURED CROP IN THIS COUNTY.

INSURABLE TYPES AND PRACTICES

TYPE(S)	PRACTICE(S)
(121) GMO *1	(997) No Practice Specified
(122) Non-GMO *2	

PROGRAM DATES FOR INSURABLE TYPES AND PRACTICES:

SALES CLOSING	INITIAL PLANTING	FINAL PLANTING	ACREAGE REPORTING	BILLING DATE
TYPE(S)			PRACTICE(S)	
(121) GMO *1			(997) No Practice Specified	
(122) Non-GMO *2				
12/31/2006			02/15/2007	10/01/2007

GENERAL STATEMENT(S):

Use 55% of the reference maximum price for the appropriate stage, round up to the next cent when calculating the amount of protection per unit and the unit value for catastrophic coverage (CAT) policies.

CROP STATEMENT(S):

Contact your agent regarding possible premium discounts, options, and /or additional coverage that may be available.

Coverage for the insured crop grown using an organic farming practice is provided in this county. An organic rate factor is specified on the coverage and rate table.

INSURANCE AVAILABILITY STATEMENT(S):

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, parental status, familial status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program.

SUMMARY

The primary points to remember from this chapter are:

- ✓ How to locate the types and practices insurable in the HTT Pilot Crop Insurance Program.
- ✓ How to find important dates.

QUESTIONS

1) The Special Provisions take precedence over
   a. the FCI-35
   b. the FCI-35 and the Basic Provisions
   c. the FCI-35, the Basic Provisions and other classification documents
   d. the Basic Provisions and the HTT Pilot Crop Provisions

2) GMO and non-GMO are the two insurable types for bananas.
   a. True
   b. False

3) The sales closing date for coffee trees is _____?
   a. January 1
   b. April 1
   c. June 30
   d. December 31

4) For coffee, if the acreage is infested with nematodes, the infected trees must be chipped and mulched or removed, the soil treated, and the affected acreage fallowed for ____ before insurance will attach.
   a. 3 months
   b. 6 months
   c. 1 year
   d. 2 years
   e. 5 years

CHAPTER 7: FCI-35

INTRODUCTION

The FCI-35s are actuarial documents that can be used to provide the premium rates, fees, and applicable reference prices for each county where the insurance program is offered. The FCI-35s for the HTT Pilot Insurance Program are similar to and formatted like FCI-35s for other insured crops. Therefore, most of the information found is self explanatory.

This actuarial document is located in the County Actuarial Book. The RMA publishes and releases the actuarial documents for each eligible county crop program prior to the contract change date listed in the HTT Pilot Crop Provisions

LEARNING OBJECTIVES

At the end of this Chapter, you should be able to:

- ✓ Locate specific information provided on the HTT FCI-35s.
- ✓ Read and understand the various tables.
- ✓ Determine the applicable Tree Reference Prices and CTV Reference Prices.

LESSON

The FCI-35 County Rate Table is a document that provides the insurable county, crop types and practices, risk class, coverage levels and base premium rates by coverage level. High risk map areas and corresponding rates, rate options and related statements are also displayed on the table when applicable. Information on the FCI-35 can be used to determine premium including the producer premium.

In this chapter, one example of an FCI–35 document is shown for coffee trees. Additional information on how to read the document is included.

FCI - 35, EXAMPLE

10/12/2006 COUNTY ACTUARIAL TABLE PAGE 1

ST: HAWAII (15) CROP: COFFEE TREES (0266)
CO: HAWAII (001) PLAN: Tree Based Dollar Amount of Insurance (40)

TYPE: (997) No Type Specified PRAC: (997) No Practice Specified

	BASE PREMIUM RATE BY COVERAGE LEVEL					
	.50	.55	.60	.65	.70	.75
TYPE/PRAC (997/997)	0.006	0.006	0.007	0.007	0.008	0.008

	CTVE PREMIUM RATE BY COVERAGE LEVEL					
	.50	.55	.60	.65	.70	.75
TYPE/PRAC (997/997)	0.006	0.006	0.007	0.007	0.008	0.008

ORGANIC FACTORS	
(OC) ORGANIC CERTIFIED	1.050
(OT) ORGANIC TRANSITIONAL	1.050

COMMON OPTION FACTOR TABLE	
(BU) BASIC UNIT DISCOUNT	0.90
(OU) OPTIONAL UNITS	1.00

OPTION/OPTION NAME	OCCURRENCE LOSS OPTION FIXED RATE TABLE
(OW) OLO Base Policy)	0.063
(OX) OLO CTV Endorsement)	0.063

	RATE MAP AREA	
	AAA	BBB
ADJUSTMENT FACTOR	1.05	99.000

GENERAL STATEMENTS:
Use 55% of the applicable reference price for the age, rounded up to the next cent, when calculating the amount of protection per unit and the unit value for catastrophic coverage (CAT) policies.

CONTINUED

10/12/2006 COUNTY ACTUARIAL TABLE PAGE 2

ST: HAWAII (15) CROP: COFFEE TREES (0266)
CO: HAWAII (00X) PLAN: Tree Based Dollar Amount of Insurance (40)

THE PREMIUM SUBSIDY FACTORS APPLY TO ALL POLICIES.

	<----------SUBSIDIES AND FEES---------->								
COVERAGE LEVEL	CAT	50	55	60	65	70	75	80*	85*	90*
PREMIUM SUBSIDY FACTOR **	1.00	.67	.64	.64	.59	.59	.55	.48	.38	na
GRP/GRIP PREMIUM SUBSIDY FACTOR	1.00	na	na	na	na	.64	.64	.59	.59	.55
ADMINISTRATIVE FEE	$100	$30	$30	$30	$30	$30	$30	$30	$30	$30

*where applicable
**applies to all plans of insurance except GRP and GRIP

SUMMARY

The important topics to remember from the chapter are:

- The FCI-35 is used to determine premium, including the producer premium.
- Specific coverage information is provided.
- Premium subsidy factors are provided.
- General statement(s) provide specific information and restrictions, if applicable, that impact the rate or coverage provided.
- How to read and understand the tables.

QUESTIONS

1) The FCI-35 is used to
    a. determine coverage
    b. determine producer premium
    c. calculate indemnities and subsidy
    d. calculate price elections

2) In the example FCI-35, the CTVE premium rate for a coffee tree at 65% coverage is:
    a. 0.006
    b. 1.050
    c. 0.063
    d. 0.007

3) In the example FCI-35, the base premium rate for a coffee tree at 75% coverage is:
    a. 0.006
    b. 0.063
    c. 0.008
    d. 0.007

4) In the example FCI-35, the BU common option factor is 1.00.
    a. True
    b. False

5) In the example FCI-35, the premium factor for OLO at the 55% coverage level is:
    a. 0.006
    b. 0.007
    c. 1.050
    d. 0.063

EXHIBIT ONE: GROVE LOCATION PLAT MAP

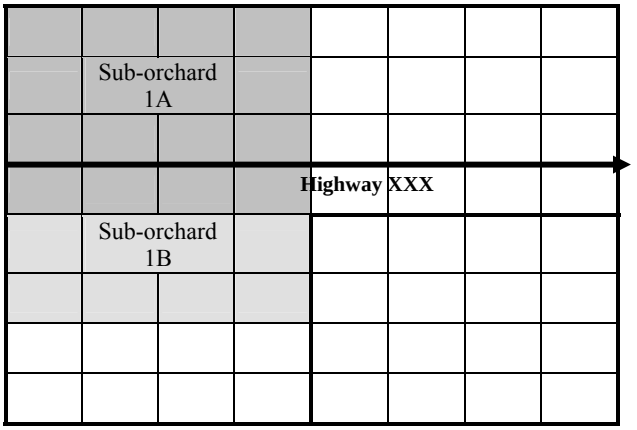
ORCHARD LOCATION PLAT MAP

Joe Farmer	Hawaii	XXXXXXX
(Name of Insured or Applicant)	(County)	(Policy Number)

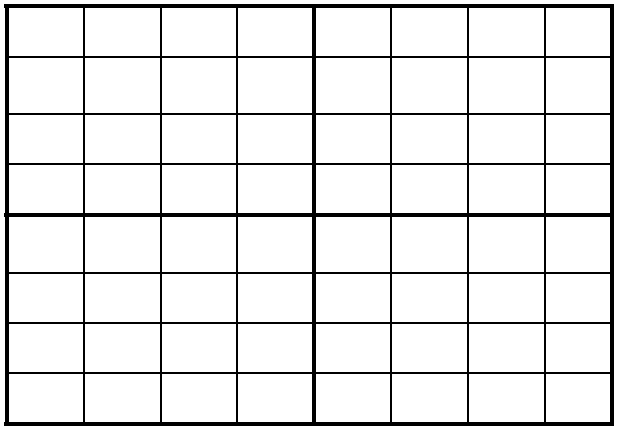
Crop: Crop Name Type: _____ Unit No.: 00100

Address / Legal Description: 100 Any Street, Anytown, Hawaii XXXXX,

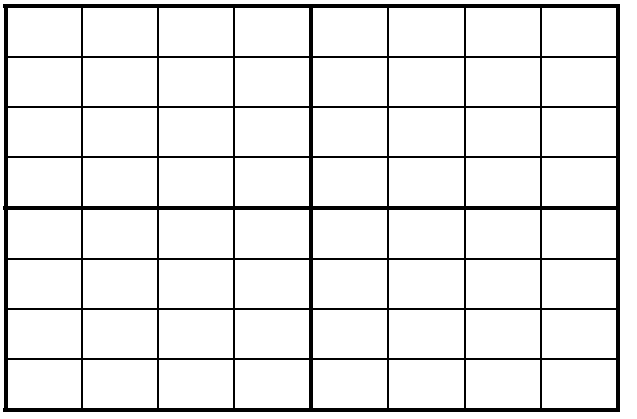
~~Section~~: Orchard 1



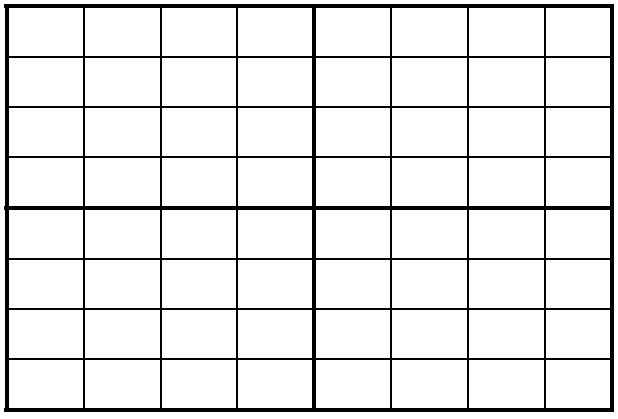
Section: _____



Section: _____



Section: _____



Comments: