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Agriculture



Federal Crop  
Insurance  
Corporation



Product  
Development  
Division

FCIC-25750 (11-2005)

# **NURSERY LOSS ADJUSTMENT STANDARDS HANDBOOK**

## **2006 and Succeeding Crop Years**



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

<b>FEDERAL CROP INSURANCE HANDBOOK</b>	<b>NUMBER: FCIC-25750 (11-2005)</b>
<b>SUBJECT:  NURSERY LOSS ADJUSTMENT STANDARDS HANDBOOK 2006 AND SUCCEEDING CROP YEARS</b>	<b>OPI: Product Development Division</b>
	<b>APPROVED:</b> <span style="float:right"><b>DATE:</b></span>
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**THIS HANDBOOK CONTAINS THE OFFICIAL FCIC-ISSUED LOSS ADJUSTMENT STANDARDS FOR NURSERY CROP PROVISIONS FOR THE 2006 AND SUCCEEDING CROP YEARS. ALL REINSURED COMPANIES WILL UTILIZE THESE STANDARDS FOR BOTH LOSS ADJUSTMENT AND LOSS TRAINING.**

The following list contains significant changes to this handbook, as determined by us. It may not represent all changes made. All changes made to this handbook are applicable regardless of whether or not listed.

**SUMMARY OF CHANGES/CONTROL CHART**

Major Changes: See changes or additions in text which have been **highlighted**. Three stars (\*\*\*) identify information that has been removed.

**1. Changes for NOVEMBER 2005 Issuance: FCIC-25750 (11-2005)**

- A. Updated the handbook for the new policy and new endorsements
- B. Updated the Table of Contents.
- C. Added statements to Nursery definitions.
- D. Added abbreviations.
- E. Added Section 4 Rehabilitation Payment Information.
- F. Added Section 5 Peak Inventory Value Report Information.
- G. Added Section 6 Pilot Nursery Grower's Price Endorsement Information.
- H. Removed all references to optional units that are no longer available.
- I. Removed all references to FMV-C that is no longer used in the loss calculation.

# NURSERY LOSS ADJUSTMENT STANDARDS HANDBOOK

## SUMMARY OF CHANGES/CONTROL CHART (Continued)

- J. Updated Appraisal worksheet and instructions to remove references to optional units.
- K. Updated the plant type chart on page 40 to include the new types.
- L. Updated the Nursery Production worksheet and instructions to remove references to optional units and FMV-C.
- M. Updated Table A the FCIC container sizes chart to include the new larger sizes available for some plant types.
- N. Updated Table B the insurable plant size limits to include the new plant types and larger sizes available for some plant types.

<b>Control Chart For: 2006 Nursery Loss Adjustment Standards Handbook</b>						
	SC Page(s)	TC Page(s)	Text Page(s)	Exhibits(s) Page(s)	Date	Directive Number
Remove	<b>ENTIRE Handbook</b>					
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# 1. INTRODUCTION

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This handbook identifies the crop-specific procedural requirements for adjusting Multiple Peril Crop Insurance (MPCI) losses in a uniform and timely manner. These procedures, which include crop appraisal methods and claims completion instructions, supplement the general (not crop-specific) procedures, forms, and manuals for loss adjustment identified in the Loss Adjustment Manual (LAM).

## 2. SPECIAL INSTRUCTIONS

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This handbook remains in effect until superseded by reissuance of **either** the entire handbook **or** selected portions (through slip sheets or bulletins). If slip sheets have been issued for a handbook, the original handbook as amended by slip sheets shall constitute the handbook. A bulletin can supersede either the original handbook or subsequent slip sheets.

### A. DISTRIBUTION

The following is the minimum distribution of forms completed by the adjuster for the loss adjustment inspection:

Give one legible copy to the insured. The original and all remaining copies as instructed by the Approved Insurance Provider (AIP).

It is the AIP's responsibility to maintain original insurance documents relative to policyholder servicing as designated in their approved plan of operations.

### B. TERMS, ABBREVIATIONS, AND DEFINITIONS

- (1) Terms, abbreviations, and definitions that are **general** (not crop specific) to loss adjustment are identified in the LAM.
- (2) Terms, abbreviations, and definitions **specific** to Nursery loss adjustment and this handbook, which are not defined in this section, are defined as they appear in the text.
- (3) **Definitions**

**Amount of insurance:** For each basic unit, the insured's basic unit value multiplied by the coverage level percentage the insured elected, multiplied by the insured's share, and if the insured elected CAT coverage, multiplied times 55 percent. For premium calculation purposes, your amount of insurance is determined on the inventory value of each plant type reported on your PIVR. In the case of liners, the inventory value is multiplied by the survival factor shown on the Special Provisions.

**Basic unit value:** The full value of all insurable plants in each basic unit as shown on your PIVR, including any revision that increases the value of your insurable plant inventory.

**Caliper:** The diameter of a tree, measured at a point 6 inches above the ground line if the resulting measurement is no more than 4 inches. If the resulting measurement is more than 4 inches, the measurement is made at a point 12 inches above the ground line.

**Container grown:** Nursery plants planted and grown in standard nursery containers either above ground or that are placed in the ground, either directly or when placed in another pot in the ground (i.e., pot-in-pot).

**Coverage commencement date (Peak Inventory Endorsement):** The later of the date the insured declared as the beginning of the coverage or 30 days after a properly completed Peak Inventory Value Report is received by the AIP.

**Coverage termination date (Peak Inventory Endorsement):** The date the insured declares that the peak amount of insurance will cease.

**Fabric grow bag:** A fabric bag (including a woven or matted bag with a plastic or fabric bottom) used for growing woody plants in-ground or as an above-ground nursery plant container that provides adequate drainage and is appropriate in size for the plant.

**Field grown:** Nursery plants planted and grown in the ground without the use of an artificial root containment device. Plants grown in in-ground fabric grow bags, plants that are balled and burlapped or plants grown in containers that allow the plants to root (excluding fibrous roots) into the ground (for example, a container without a bottom) are also considered field grown.

**Good nursery practices:** The horticultural practices generally in use in the area for nursery plants to make normal progress toward the stage of growth at which marketing can occur and:

- (a) For conventional practices, generally recognized by agricultural experts for the area as compatible with the nursery plant production practices and weather conditions in the county; or
- (b) For organic practices, generally recognized by the organic agricultural industry for the area as compatible with the nursery plant production practices and weather conditions in the county or contained in the organic plan.

**Liners:** Plants produced in standard nursery containers that are equal to or greater than 1 inch in diameter (including trays containing 200 or fewer individual cells, unless specifically provided by the Special provisions) but less than 3 inches in diameter at the widest point of the container or cell interior, have an established root system reaching the sides of the containers, are able to maintain a firm root ball when lifted from the containers, and meet all other conditions specified in the Special Provisions..

**Marketable:** Of a condition that it may be offered for sale in the market.

**Nursery:** A business enterprise that grows the nursery plants and derives at least 50 percent of its gross income from the wholesale marketing of such plants. This determination will be based on a count-by-county Basis.



**Peak amount of insurance (Peak Inventory Endorsement):** The additional inventory value reported on the Peak Inventory Value Report for each basic unit multiplied by insured's coverage level and by the insured's share.

**Plant Names:** The genus, species, variety, and cultivar as determined by botanical taxonomic experts and listed in the Eligible Plant List and Plant Price Schedule.

**Practice:** A cultural method of producing plants. Container grown and field grown are considered separate insurable practices.

**Price:** For this handbook, the word "Price" is the applicable of the following.

- (a) The lower of the price in the Nursery's catalog minus all discounts (referred to as the growers' best wholesale catalog price) or the maximum price shown in the Eligible Plant List and Plant Price Schedule; or
- (b) The upgraded plant price approved by the AIP if the insured elects the Pilot Nursery Grower's Price Endorsement, where available. This endorsement is not available for CAT Policies.

**Restock (Peak Inventory Endorsement):** Replacement of lost or damaged plants that increase the value of the insurable inventory to an amount greater than your remaining amount of insurance.

**Standard nursery containers:** Rigid containers not less than 1 inch in diameter at the widest point of the container interior (including trays that contain 200 or fewer individual cells, unless specifically provided by the Special Provisions), above-ground fabric grow bags, and other types of containers specified in the Special Provisions that are appropriate in size and provide adequate drainage for the plant. In-ground fabric grow bags, balled and burlapped, and trays (flats) without individual cells are not considered standard nursery containers.

**Survival factor:** A factor shown on the Special Provisions that specifies the expected percentage of liners that normally survive the period from insurance attachment to market.

**Wholesale:** To sell nursery plants in large quantities at a price below that offered on a low-quantity sales to retailers, commercial users, governmental end-users, or other end-users for business purposes (e.g. sales to landscape contractors and commercial fruit producers). This determination will be based on a county-by-county basis.

**Unit Division:**

- (a) If additional coverage is elected for a practice, a basic unit, as defined in section 1 of the Basic Provisions, may be divided into additional basic units by each insurable plant type, designated below, for which a premium rate is provided by the actuarial documents.

(b) Only the following plant types are insurable:

- 1 Deciduous Trees (Shade and Flower);
- 2 Broad-leaf Evergreen Trees;
- 3 Coniferous Evergreen Trees;
- 4 Fruit and Nut Trees;
- 5 Deciduous Shrubs;
- 6 Broad-leaf Evergreen Shrubs;
- 7 Coniferous Evergreen Shrubs;
- 8 Small Fruits;
- 9 Herbaceous Perennials;
- 10 Roses;
- 11 Ground Cover and Vines;
- 12 Annuals
- 13 Foliage;
- 14 Palms and Cycads;
- 15 Liners (container grown only and inclusive of all insurable plant types);
- 16 Other plant types listed in the Special Provisions;

(c) If CAT coverage is elected for a practice, a basic unit is as defined in section 3 of the Catastrophic Risk Protection Endorsement.

(d) Optional units are not available under the 06-073 Nursery Crop Provisions.

**Upgraded plant (Pilot Nursery Grower's Price Endorsement):** A plant listed on the Upgraded Plant Report for which the insured elected to receive an upgraded plant price. Plants of different practices, measurement methods (i.e., container, caliper, or high/wide), or sizes are considered separate upgraded plants.

**Upgraded plant price (Pilot Nursery Grower's Price Endorsement):** A wholesale price the insured reported on the Upgraded Plant Report that is greater than the price contained in the Plant Price Schedule but is less than or equal to the price in the insured's catalog or price list.

**Upgraded Plant Report (Pilot Nursery Grower's Price Endorsement):** The report declaring the value of the upgraded plants in accordance with section 3, 4, and 5, of the Pilot Nursery Grower's Price Endorsement.

**Verifiable sales records (Pilot Nursery Grower's Price Endorsement):** Records of sales of plants that contain:

(a) The name, address, and phone number of the purchaser;

(b) The date of sale (MM/DD/YYYY);

(c) The complete botanical or common name of the plants(s) sold and the actual wholesale price received for each size of plant during the most recent crop year in which sales occurred.

Records of sales to the insured or to an affiliated party (Closely associated with another typically in a dependent or subordinate Position) are not considered verifiable sales records.

(4) **Abbreviations:**

<b>AIP</b>	<b>Approved Insurance Provider</b>
ANLA	American Nursery & Landscape Association
<b>CAT</b>	<b>Catastrophic Risk Protection</b>
CSREES	Cooperative State, Research, Education, and Extension Service
EPL/PPS	Eligible Plant Listing and Plant Price Schedule
FMV-A	Field Market Value A
FMV-B	Field Market Value B
<b>NGPE</b>	<b>Nursery Grower's Price Endorsement</b>
PDS	Pre-Damage Stage
<b>PIVR</b>	<b>Plant Inventory Value Report</b>
XPS	Excluding Price and Share Calculation

### **3. INSURANCE CONTRACT INFORMATION**

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The AIP determines the insured has complied with all policy provisions of the insurance contract. Crop provisions which are to be considered in this determination include (but are not limited to):

#### **A. INSURABILITY**

- (1) Under the Nursery Crop Provisions 06-073 the 2006 crop year is a short crop year, with insurance coverage beginning October 1, 2005 and ending May 31, 2006.
- (2) For the 2006 crop year, a new application for coverage will not attach until the later of October 1, 2005, or 30 days after the AIP receives a signed application, PIVR, and two catalogs or price lists, unless the AIP notifies the insured in writing that the inventory or wholesale catalog or price list is not acceptable. Insurance will not attach until 30 days after the AIP receives an acceptable PIVR, catalog, or price list.
- (3) A nursery grower may insure either the field grown practice or container grown practice or both. Container and field grown plants are insured as if they are different crops and can have different coverage levels on each practice. All insurable plants within the practice (container or field grown) must be insured.
- (4) The PIVR may be revised no more than twice during the crop year. Insurance will not attach until 30 days after the AIP receives an acceptable revised PIVR. The revision can only be done to increase inventory values. If the insured selected basic units by plant type and submits a revised PIVR to add a new plant type basic unit that was not reported on the initial PIVR, the revised PIVR is not considered one of the two allowable revisions. If a new insured selected basic units by plant type and submits a revised PIVR to add a new plant that was not reported on the initial PIVR and the plant is not categorized under a plant type reported on the initial PIVR the insured must select a coverage level at that time.

- (5) For the 2006 crop year carryover business (a policy converting from 99-073 to 06-073),
  - (a) Insurance attaches on October 1, 2005, provided the level of coverage is not increased and the AIP is unchanged.
  - (b) There is a 30-day waiting period before insurance can attach to insurable plants when the insured has not provided an acceptable PIVR and two catalogs or price lists by September 30, 2005.
  - (c) Coverage level changes must be requested on or before September 30, 2005.
  - (d) There is a 30-day waiting period before insurance can attach to the insurable plants at the increased coverage level. If damage occurs during the 30 day waiting period the loss will be paid on the previous coverage level.
  - (e) There is a 30-day waiting period before insurance can attach to the insurable plants when the insured changes AIPs. If damage occurs during the 30 day waiting period the loss will be paid on the previous coverage level.
- (6) Insurance coverage for the 2007 and succeeding crop years will begin June 1 and will end the following May 31.
- (7) For the 2007 crop year, for a new application, coverage will not attach until the later of June 1, 2006, or 30-days after the AIP receives a signed application, PIVR, and two catalogs or price lists, unless the AIP notifies the insured in writing that the inventory or wholesale catalog, or price list is not acceptable. Insurance will not attach until 30 days after the AIP receives an acceptable PIVR, catalog, or price list.
- (8) For the 2007 crop year carryover policy, coverage will not attach for the 2007 crop year until the later of June 1, 2006, or 30 days after the AIP receives an acceptable PIVR and two catalogs or price lists. The AIP must receive the acceptable PIVR and catalog or price list on or before May 1, 2006, for insurance to attach June 1. Coverage level changes must be requested on or before the May 1 sales closing date.
- (9) Insurable plants within the practice(s) insured will be all nursery plants and all plant types grown in the county for which a premium rate is provided by the actuarial documents and that:
  - (a) Are shown on the EPL/PPS;
  - (b) The insured has a share;
  - (c) Meet all requirements for insurability;
  - (d) Are insured by written agreement if a plant genus, species, and cultivar is not listed on the EPL/PPS. Approval of the written agreement is subject to RMA approval that the proper storage requirements and an accurate insurable price for the plant can be determined, provided all other requirements, such as plant and container size, are met (Excluding CAT Policies);

- (e) Are determined by the AIP to be acceptable;
  - (f) Are grown in a nursery inspected by the AIP and determined to be acceptable;
  - (g) Are grown in an appropriate medium;
  - (h) Are irrigated unless otherwise provided by the Special Provisions;
  - (i) Are grown in accordance with the production practices for which premium rates have been established;
  - (j) Are not grown for sale as Christmas trees;
  - (k) Are not stock plants or plants being grown solely for harvest of buds, flowers, or greenery;
  - (l) May produce edible fruits or nuts, provided the plants are made available for sale (Harvest of the edible fruit or nuts does not affect insurability);
  - (m) Are not produced in nursery containers that contain two or more different genera, species, subspecies, varieties, or cultivars.
- (10) Insurance ends at the earliest of:
- (a) The date of final adjustment of a loss when the total indemnities due equal the amount of insurance;
  - (b) Removal of bare root nursery plant material from the field;
  - (c) Removal of all other insured plant material from the nursery;
  - (d) 11:59 PM on May 31 for 2006 and each subsequent crop year.

## **B. CAUSES OF LOSS**

The insurance provided is against only unavoidable loss directly caused by specific causes of loss contained in the Crop Provisions and Special Provisions. All specified causes of loss must be due to a naturally occurring event.

All other causes of loss, including but not limited to the following, are not covered:

- (1) Negligence, mismanagement, or wrongdoing by the insured, any member of the insured's family or household, the insured's tenants, or employees;
- (2) Water that is contained by or within structures that are designed to contain a specific amount of water, and such water stays within the designed limits.
- (3) Failure to carry out a good irrigation practice for the insured plants, if applicable.

In accordance with the provisions of section 12 of the Basic Provisions, insurance is provided for unavoidable damage:

- (1) Caused only by the following causes of loss that occurs within the insurance period:
  - (a) Adverse weather conditions, except as specified in section 10 (c) of the crop provisions or the Special Provisions (i.e., flooding from unnamed storms);
  - (b) Fire, provided weeds, and undergrowth in the vicinity of the plants or buildings on the insured's site are controlled by chemical or mechanical means;
  - (c) Wildlife;
  - (d) Earthquake; or
  - (e) Volcanic eruption.
- (2) If due to a cause of loss specified in section 10 (a) of the crop provisions or the Special Provisions:
  - (a) A loss in plant values because of an inability to market plants, provided such plants would have been marketed during the crop year (e.g. poinsettias that are not marketable during their usual and recognized marketing period of November 1<sup>st</sup> through December 25<sup>th</sup>);
  - (b) Failure of the irrigation water supply; or
  - (c) A failure of or a reduction in the power supply, unless such failure or reduction is due to an insurable cause;
- (3) In addition to causes of loss excluded in section 12 (a), and (c) through (f) of Basic Provisions, insurance coverage is not provided against any loss caused by:
  - (a) Disease or insect infestation, unless:
    - 1 A disease or insect infestation occurs for which no effective control measure exists; or
    - 2 Coverage is specifically provided by the Special Provisions.
  - (b) Inability to market the nursery plants as a result of:
    - 1 The refusal of a buyer to accept production;
    - 2 Boycott; or
    - 3 An order from a public official prohibiting sales, but not limited to, sales order, quarantine, or a Phytosanitary restriction on sales;

- (c) Cold temperatures, if cold protection is required in the EPL/PPS, unless:
  - 1 The insured has installed adequate cold protection equipment or facilities and there is a failure or breakdown of the cold protection equipment or facilities resulting from an insurable cause of loss (see 10 (c) (3) of the crop provisions for additional details).
  - 2 The lowest temperature or its duration exceeded the ability of the required cold protection equipment to keep the insured plants from sustaining cold damage;
- (d) Collapse or failure of buildings or structures, unless the damage to the building or structure results from an insurable cause of loss;
- (e) Any cause of loss including those specified in section 10 (a) of the Crop Provisions, if the only damage is a failure of plants to grow to an expected size; or
- (f) In lieu of section 12 (b) of the Basic Provisions failure to follow recognized good nursery practices.

### **C. PROVISIONS NOT APPLICABLE TO CAT COVERAGE**

- (1) Basic units by plant type.
- (2) Written Agreements.
- (3) Hail and Fire Exclusion provisions.
- (4) Peak Inventory Endorsement.
- (5) Rehabilitation Endorsement.
- (6) Nursery Growers Price Endorsement.

### **D. UNIT DIVISION**

- (1) Unit division on a geographic basis (i.e., different sections, FSN's, etc.) is not available under policy 06-073..
- (2) Optional units are not available under policy 06-073.
- (3) Basic units are established in all nurseries in a county, in which the insured has a 100 percent interest or which is owned by one person and operated by another person on a share basis.
  - (a) Basic units are established by share and, if additional coverage is elected, may be divided into additional basic units for each insurable plant type. All insurable plants under each type in which the insured has a share is a basic unit. For additional coverage, if the insured elects separate basic units by plant type each basic unit may have a different coverage level.
  - (b) Only the plant types contained on the EPL/PPS are insurable (section 2 (b) of the Nursery Crop Provisions).

- (4) The unit number assigned for a basic unit must be specific for that particular basic unit. If all plant types are insured on a share basis only, all plant types must have the same unit number. If a loss is reported for part of a basic unit (a share unit on Additional coverage or on CAT coverage), the entire basic unit must be appraised (all plant types must be appraised separately, even if only one plant type has been damaged).

## **4. REHABILITATION PAYMENT INFORMATION**

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### **A. GENERAL INFORMATION**

- (1) In order for a basic unit to qualify for a rehabilitation payment, the total actual rehabilitation costs, for each loss occurrence, on the unit must be at least the lesser of:
  - (a) 2.0 percent of field market A; or
  - (b) \$5,000.
- (2) No rehabilitation payment will be made on nursery plants produced in standard nursery containers.

### **B. QUALIFICATIONS FOR REHABILITATION PAYMENT**

To qualify for a rehabilitation payment, the:

- (1) Insured must have purchased additional coverage under the Nursery Crop Insurance Provisions;
- (2) Insured crop must be field grown practice;
- (3) Insured crop must be damaged by an insurable cause of loss;
- (4) Rehabilitation costs covered are limited to expenditures for labor and materials for pruning and setup;
  - (a) Verifiable records must be provided showing actual expenditures for rehabilitation; and
  - (b) Expenditures must be reasonable and customary for the damage sustained by the plants.
- (5) Damaged plants must have a reasonable expectation of recovery based on:
  - (a) The type of damage;
  - (b) The extent of damage; and
  - (c) The recovery of the plant to the point the plant is marketable;



- (6) Rehabilitation procedures must be performed directly following the occurrence of damage and before additional deterioration of the damaged plants occurs;
- (7) AIP must determine it is practical to rehabilitate the damaged plants (It is not practical if the cost of rehabilitation is greater than the value of the plant prior to being damaged).

**C. MAXIMUM REHABILITATION PAYMENT**

The maximum rehabilitation payment per loss occurrence will be the LESSER OF:

- (1) The insured's actual rehabilitation costs for the basic unit multiplied by the under-report factor contained in the Nursery Crop Insurance Provision; or
- (2) An amount equal to 7.5 percent of the value of all the insurable field grown plants (in the basic unit) that were rehabilitated subsequent to an insured cause of loss, multiplied by the under-report factor contained in the Nursery Crop Insurance Provision, multiplied by the insured's coverage level percentage elected and multiplied by the insured's share.

Multiple rehabilitations are possible but the total of all rehabilitation payments for the crop year for a basic unit can not exceed 7.5 percent of the value of all the insurable field grown plants in the basic unit, multiplied by the under-report factor contained in the Nursery Crop Insurance Provision, multiplied by the insured's coverage level percentage elected and multiplied by the insured's share.

**D. REHABILITATION PAYMENT INSPECTIONS**

Rehabilitation payment inspections are to be prepared as final inspections on the claim form only when qualifying for a rehabilitation payment.

The Nursery Eligible Plant List and Plant Price Schedule appraisal software **CANNOT** be used to create the Rehabilitation Payment Report.

**E. FORM ENTRIES AND COMPLETION INFORMATION**

Verify or make the following entries:

**Item No.**

**Information Required**

- 1. **Name of Insured:** Name of the insured that identifies EXACTLY the person (legal entity) to whom the policy is issued.
- 2. **Policy Number:** Insured's assigned policy number.
- 3. **Crop Year:** Crop year, as defined in the policy, for which the rehabilitation payment claim is filed.
- 4. **Basic Unit:** Five-digit basic unit number from the PIVR.

5. **Share:** The insured's share (e.g. 1.000).
6. **Basic Unit PIVR Amount:** The current basic unit PIVR plus revisions, and any applicable Peak Inventory Value Report(s) for the basic unit.
7. **Basic Unit FMV A:** Enter the appraised BEFORE-LOSS inventory whole-dollar value from the Nursery Appraisal Worksheet for this notice of loss.
8. **Rehabilitated Plants FMV A:** Field market value A of the plants rehabilitated.
9. **Actual Rehabilitation Costs:** Actual rehabilitation cost paid by the insured and verified to be correct by the insurance provider.
10. **Coverage Level Percent:** The coverage level percent selected by the insured.
11. **Under Reporting Factor:** The lesser of a) 1.000, or b) **Reported Basic Unit Value** minus **Sum of Previous Losses**. Divide this result by **Field Market Value A**, and round to three decimal places (e.g., .775). Enter the result calculated and entered in item 23 of the Nursery Production Worksheet.
12. **Previous Rehabilitation Payments:** Enter the sum of all previous rehabilitation payments for this basic unit for the current crop year.
13. **Rehabilitation Inspection Number:** Enter the number of rehabilitation inspections completed this crop year on this basic unit (e.g., 1, 2).
14. **Crop Year Rehabilitation Payment Limit:**
  - (a) The Basic Unit FMV-A (item 7) multiplied by .075.
  - (b) Enter the Under-Reporting Factor (item 11).
  - (c) Enter the Coverage Level Percent (item 10).
  - (d) Enter the Share (item 5).

Multiply the results of (a) by results in (b), (c), and (d) and round the results to whole dollars. Enter the result on line (A), Crop Year Rehabilitation Limit Amount.
15. **Rehabilitation Amount Available for the Unit:**
  - (a) Enter the result of (item (A)) Crop Year Rehabilitation Payment Limit Amount.
  - (b) Enter the amount from Previous Rehabilitation Payments Received (item 12).

Subtract item (b) from item (a) and enter the result on line (B), Amount of Rehabilitation Remaining Prior To This Loss
16. **Basic Unit Rehabilitation Payment Trigger:**
  - (a) Enter the result of the Basic Unit FMV-A (item 7) multiplied by .02.
  - (b) Enter \$5,000 \

Select the lesser of the results of (a) or (b) and enter the result on line (C), Rehabilitation Payment Trigger Amount.

**If the amount entered in (C) is greater than amount entered in item 9 STOP CALCULATING the rehabilitation payment** as the insured does not qualify (as stated in Section 2 (c) (5) of the endorsement) to receive the rehabilitation payment.

**17. Loss Occurrence Rehabilitation Payment Limit:**

- (a) Enter the results of Rehabilitated Plants FMV-A (item 8) multiplied by .075.
- (b) Enter the Under-Reporting Factor (item 11).
- (c) Enter the Coverage Level Percent (item 10).
- (d) Enter the Share (item 5).

Multiply the results of (a) by entries in (b), (c), and (d) and round the result to whole dollars. Enter the result on line (D), Loss Occurrence Rehabilitation Payment Limit.

**18. Adjusted Actual Rehabilitation Amount:**

- (a) Enter the Actual Rehabilitation Costs (item 9).
- (b) Enter the Under-Reporting Factor (item 11).

Multiply (a) by (b) and round the result to whole dollars. Enter the result on line (E) Adjusted Actual Rehabilitation Amount.

**19. Rehabilitation Payment Amount:**

Compare items (B), (D), and (E) and select the lesser to obtain the maximum amount of rehabilitation payment allowable. Enter the amount on line (F), Rehabilitation Payment Amount.

**20. Remaining Unit Rehabilitation Amount:** Enter the amount of rehabilitation remaining prior to this loss (item 15 (B)) in item 20 (a), subtract the rehabilitation amount (item 19 (F)) and enter result in 20 (G) and Unit Remaining Rehabilitation Amount (item 13).

- (a) Enter the amount of (B), Crop Year Rehabilitation Payment Limit Amount.
- (b) Enter the amount from Previous Rehabilitation Payments Received (item 12).

Subtract item (b) from item (a), enter the results on line (G), Unit Rehabilitation Payment Available After This Loss.

**21. Remarks: Enter:**

- (a) Date rehabilitation completed.
- (b) The reason for any adjustment to actual rehabilitation costs.
- (c) Any other pertinent information regarding the inspection.

If additional space is needed, use and attach a Special Report and refer to the attachment in the Remarks section.

**22** **Insured's Signature and Date:** Insured's (or insured's authorized representative's) signature and date. BEFORE obtaining insured's signature, REVIEW ALL ENTRIES on the worksheet WITH THE INSURED, particularly explaining codes, etc., which may not be readily understood.

**23** **Adjuster's Signature, Code Number, and Date:** Signature of adjuster, code number, and date signed **after** the insured (or insured's authorized representative) has signed. For an absentee insured, enter adjuster's code number ONLY. The signature and date will be entered AFTER the absentee has signed and returned the Worksheet.

**For Illustration Purposes Only**

**REHABILITATION PAYMENT WORKSHEET**

<b>1 INSURED'S NAME</b> I M INSURED	<b>2 POLICY NUMBER</b> 12345678	<b>3 CROP YEAR</b> 2006	<b>4 BASIC UNIT</b> 00100	<b>5 SHARE</b> 1.000
<b>6 BASIC UNIT PIVR AMOUNT</b> \$712,500.00	<b>7 BASIC UNIT FMV A</b> \$750,000	<b>8 REHABILITATED PLANTS FMV A</b> \$350,000		
<b>9 ACTUAL REHABILITATION COSTS</b> \$25,000	<b>10 COVERAGE LEVEL PERCENT</b> 75 %	<b>11 UNDER REPORTING FACTOR</b> .950		
<b>12 PREVIOUS REHABILITATION PAYMENTS RECEIVED</b> \$18,000		<b>13 REHABILITATION INSPECTION NUMBER</b> 2		
<b>14 Crop Year Rehabilitation Payment Limit</b>				
(a) 7.5 % of FMV A of the basic unit.		\$56,250.00		
(b) Times Under-Reporting Factor for the basic unit.		.950		
(c) Times Coverage level.		75 %		
(d) Times Share.		1.000		
<b>(A) Crop Year Rehabilitation Payment Limit Amount.</b>				<b>\$40,078.00</b>
<b>15 Rehabilitation Amount Available For The Unit.</b>				
(a) Crop Year Rehabilitation Payment Limit Amount		\$40,078.00		
(b) Minus Previous Rehabilitation Payments Paid On The Unit		\$18,000.00		
<b>(B) Amount Of Rehabilitation Remaining Prior To This Loss</b>				<b>\$22,078.00</b>
<b>16 Basic Unit Rehabilitation Payment Trigger</b>				
Must be at least the lesser of				
(a) 2 % of Basic unit FMV A.		\$15,000		
(b) or \$5000.		\$5,000		
<b>(C) Rehabilitation Payment Trigger Amount. IF (C) GREATER THAN ITEM 9 STOP</b>				<b>\$5,000.00</b>
<b>17 Loss Occurrence Rehabilitation Payment Limit</b>				
(a) 7.5 % of FMV A of rehabilitated plants.		\$26,250.00		
(b) Times Under-Reporting Factor for the basic unit.		.950		
(c) Times Coverage level.		75 %		
(d) Times Share.		1.000		
<b>(D) Loss Occurrence Rehabilitation Payment Limit.</b>				<b>\$18,703.00</b>
<b>18 Adjusted Actual Rehabilitation Amount</b>				
(a) Actual Rehabilitation Cost		\$25,000.00		
(b) Times Under-Reporting Factor for the basic unit		.950		
<b>(E) Adjusted Actual Rehabilitation Amount.</b>				<b>\$23,750.00</b>
<b>19 Rehabilitation Payment Amount.</b>				
<b>(F) Lesser of results of (B) or (D) or (E).</b>				<b>\$18,703.00</b>
<b>20 Remaining Rehabilitation Amount For The Unit.</b>				
(a) Amount of Rehabilitation Remaining Prior to this loss		\$22,078.00		
(b) Minus Rehabilitation Payment to be paid for this loss		\$18,703.00		
<b>(G) Unit Rehabilitation Payment Available After This Loss</b>				<b>\$3,375.00</b>
<b>21 REMARKS</b>				
<b>22 INSURED'S SIGNATURE</b> I M INSURED				<b>DATE</b> MM/DD/YYYY
<b>23 ADJUSTER'S SIGNATURE, CODE</b> I M ADJUSTER XXXXX				<b>DATE</b> MM/DD/YYYY

## **5. PEAK INVENTORY VALUE REPORT INFORMATION**

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### **A. GENERAL INFORMATION**

A report that increases the value of insurable plants over the value reported on the PIVR, declares the coverage commencement and coverage termination dates.

The amount of insurance provided under the Nursery Crop Provisions for each basic unit is increased by the peak amount of insurance for such unit for the coverage term.

The peak insurance period coverage begins on the coverage commencement date and ends at 11:59 PM on the coverage termination date.

### **B. ELIGIBILITY FOR PEAK INVENTORY VALUE REPORT**

To be eligible for a Peak Inventory Value Report, the insured:

- (1) Must have insurance under the Nursery Crop insurance Provisions, in effect for the crop year that the endorsement applies.
- (2) Must elect an additional level of coverage;
- (3) Must submit a Peak Inventory Value Report;
- (4) May purchase no more than one Peak inventory endorsement for each basic unit during a crop year unless the insured has suffered an insured loss and has restocked the nursery, then the insured can purchase one additional Peak for the basic unit.

### **C. MAXIMUM PEAK INVENTORY VALUE REPORT AMOUNT**

The peak amount of insurance is limited to 200 percent of the **basic unit value** the insured declared under the Nursery Crop Insurance Provisions.

## **6. PILOT NURSERY GROWER'S PRICE ENDORSEMENT INFORMATION**

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### **A. GENERAL INFORMATION**

The Pilot Nursery Growers Price Endorsement (NGPE) to the Nursery Crop Provisions is approved for use in only 19 states (AL, AR, CT, FL, GA, KY, LA, MA, MD, MS, NC, NJ, NY, OR, PA, SC, TN, VA AND WA) for the 2006 and succeeding crop years.

The NGPE will permit nursery growers to increase the basic unit values on the PIVR by valuing those plants that qualify as upgraded plants at prices that are greater than the prices shown on the EPL/PPS, but are equal to or less than the prices shown on the wholesale catalog or price list.

## **B. ELIGIBILITY FOR NURSERY GROWER'S PRICE ENDORSEMENT**

The upgraded plant report will serve as the application for this endorsement.

For the 2006 crop year, carryover insureds with an additional coverage level may purchase the NGPE through October 31, 2005.

To be eligible for insurance coverage under that endorsement, the insured must:

- (1) Have insurance coverage under the Nursery Crop Insurance Provisions at the additional coverage level.
- (2) Comply with all terms and conditions contained in the Nursery Crop Provisions and the NGPE.
- (3) Provide an Upgraded Plant Report:
  - (a) With the insured's application for coverage under the Nursery Crop Provisions; or
  - (b) On or before the sales closing date if the insured has a carryover policy.
- (4) Have the upgraded plant price approved by the AIP for valuing the insured's upgraded plants at time of application or at time of loss when FMV-A and FMV-B are determined.
- (5) Have produced and sold the plant at wholesale:
  - (a) For a minimum of two crop years; and
  - (b) At a price equal to or greater than the requested upgraded price during at least one of the three most recent crop years.
- (6) Provide all verifiable wholesale sales records for the most recent year of sales for each upgraded plant, at the time of:
  - (a) Application for any upgraded plant and size that has an upgraded plant price that is at least 50 % percent higher than the plant price schedule price for the same plant; or
  - (b) Loss adjustment for insurable damage on any upgraded plant.

If a plant at a specific size has been sold at varying prices during the most recent years sales, all sales records at the varying prices must be provided.

The AIP will reject the Upgraded Plant Report or disapprove all or a portion of the insured's upgraded plant prices at time of the application or time of loss adjustment if the insured fails to meet any of the requirements in the NGPE or crop provisions.

No upgraded plant price will be used in calculating field market value A or field market value B for any unit if the use of all upgraded plant prices applicable to the unit would cause the under-report factor for the unit to be less than 0.50 for that loss event.

If, at time of loss adjustment, the insured fails to provide verifiable wholesale sales records, the upgraded plant will not receive the upgraded plant price and the insurable price will be determined in accordance with section 6 of the Nursery Crop Provisions. The PIVR will not be revised downward to reflect the reduction in insurable plant prices.

## **C. NURSERY GROWER'S PRICE ENDORSEMENT UPGRADED PLANT REPORT**

Only plants listed on the Upgraded Plant Report that provide all the information required in section 5 of the endorsement will be eligible for upgraded plant prices.

The Upgraded Plant Report must be submitted for each crop year for the NGPE to be in force.

The Nursery Eligible Plant List and Plant Price Schedule software **CAN NOT** be used to create the Updated Plant Reports for the 2006 crop year. The Eligible Plant List and Plant Price Schedule software will be updated to create the report for the 2007 and subsequent crop years.

The report must:

- (1) Be type-written and legible;
- (2) Show the name and address of the nursery;
- (3) Be signed and dated.
- (4) Include the following information for each upgraded plant:
  - (a) Complete botanical or common name of the plant based on the names listed in the Eligible plant List;
  - (b) Practice;
  - (c) Measurement method and size;
  - (d) Upgraded plant price or factored upgraded plant price (see section 3 (c) of the NGPE) if the upgraded plant's size is smaller than the size listed in the wholesale catalog or price list and there is not sales records for the smaller sized plant; and
  - (e) Percent difference between the upgraded plant price and Plant Price Schedule price.

## **7. NURSERY APPRAISALS**

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### **A. GENERAL INFORMATION**

Potential production will be appraised in accordance with the Basic Provisions, Nursery Crop Provisions, Peak Inventory Endorsement, Rehabilitation Endorsement, Pilot Nursery Grower's Price Endorsement, the Special Provisions, and with the procedures specified in this handbook and in the LAM.



- (1) In addition to insured's duties in section 14 of the Basic Provisions,
  - (a) In case of damage to the insured plants the insured must:
    - 1 Protect the plants from further damage by providing sufficient care;
    - 2 Give the AIP notice within 72 hours of your initial discovery of damage (but not later than 15 days after the end of the insurance period);
    - 3 Cooperate with the AIP in the investigation or settlement of claim.
- (2) The insured must obtain written consent prior to:
  - (a) Destroying, selling, or otherwise disposing of any plant inventory that is damaged; or
  - (b) Changing or discontinuing normal growing practices with respect to care and maintenance of the insured plants.

Failure to obtain the AIPs' written consent will result in denial of the claim.
- (3) If the insured intends to claim an indemnity on any unit, the claim for indemnity must be submitted not later than 60 days after the date of the loss, but in no event later than 60 days after the end of the insurance period. This requirement will be waived by the AIP if the final adjustment of the insured claim is totally or partially deferred because the AIP is unable to make an accurate determination of the amount of damage to the insured plants.
  - (a) For those damaged plants on which the loss adjustment and claim have not been deferred, the insured must submit a partial claim within the time frame specified and the AIP will settle the insured's claim on such plants.
  - (b) For those damaged plants on which the loss adjustment and claim have been deferred, the AIP will determine the amount of damage at the earliest possible date but no later than one year after the end of the insurance period for the crop year in which the damage occurred; and
  - (c) The insured must maintain the identity of the plants on which loss adjustment is deferred throughout the deferral period.
- (4) If the insured fails to meet the above requirements and such failure results in the AIP's inability to inspect the damaged production, all such production will be considered undamaged, and the claim will be denied. Refer to the LAM for further instructions.

## **B. CROP INSPECTION REQUIREMENTS**

In addition to any pre-acceptance nursery inspection, any growing season and loss claim inspections are to be performed by adjusters adequately knowledgeable and trained in nursery plants, and nursery operations. The use of a nursery crop consultant in collaboration with the adjuster may be needed to complete the inspection. Arrangements for a consultants use are to be made through the AIP.

### **C. APPRAISAL DATES**

- (1) AIP representatives will set appraisal dates.
- (2) Whenever possible, appraise the unit as soon as possible after the date of damage.

### **D. SELECTING REPRESENTATIVE SAMPLES FOR APPRAISALS**

- (1) When a covered loss occurs, an inventory must be conducted of the damaged and undamaged plants to determine the amount of the loss. All plants within the damaged basic unit must be accounted for; nursery records may be used to document the nursery's inventory of UNDAMAGED plants, after the records have been verified to be acceptable. If the number or appropriate value of UNDAMAGED plants is not known or is questionable at the time of the loss, they must also be inventoried.
- (2) Plants of the same genus/species/cultivar and size group, with the same cause of loss and with a similar level of damage may be grouped into a sample group for appraisal purposes. The Nursery Appraisal Worksheet is to be used to determine before-loss (Field Market Value A), and after-loss (Field Market Value B) values.

If there is greater than a 10 percent size variation within a marketing size grouping, this can be an indication of other problems. The adjuster will need to be looking for such things as differing species, poor soils, disease, insects, chemical damage, irrigation problems, etc.

### **E. DETERMINING PLANT PRICE AND SIZE QUALIFICATIONS**

- (1) Plants smaller than the smallest EPL/PPS sizes listed for the plants are not insurable.

Do not round plant size to qualify for the minimum size qualifying for insurance coverage.

- (2) For field grown plants, measured sizes between those listed on the EPL/PPS will be rounded to the nearest size to determine the price.
- (3) Plants that are larger than the size listed on the EPL/PPS will be insurable at the price for the largest EPL/PPS size listed.
- (4) Plant height determined under the high/wide measurement pricing method will not include the height of the root ball for balled-and-bur lapped plants. The high/wide measurement method uses the height of the trunk (from the normal soil line) or the width of the bowl (branches and foliage).
- (5) A plant that is priced on the EPL/PPS under both the high/wide and caliper measurement methods will be valued for insurance purposes based on the lowest wholesale price for the measurement method contained in the insured's wholesale catalog. However the price may not exceed the maximum price limit for the plant on the EPL/PPS for the same measurement method.

- (6) If the desired genus species cultivar of a particular plant is not listed, the prices and other parameters for the genus species will be used for inventory valuation for the unlisted cultivar. If the genus species level is not available and the genus is listed, the prices and other parameters for the genus will be used for inventory valuation. The incomplete name may not be used if the desired cultivar is listed. For additional information on pricing unlisted cultivars, see the section in the EPL/PPS titled "Determining Eligible Plant List Price of Unlisted Cultivars".
- (7) A nursery may price a plant by height (high/wide) whereas the EPL/PPS may only list caliper as the method of measurement and pricing. The reverse may also occur. In these instances, a "comparable size" determination must be made before the "lower of" price rule can be applied.

**EXAMPLE:** The nursery catalog lists trees by height (ten-foot-high), and the EPL/PPS lists the trees by caliper. To determine the comparable EPL/PPS price to compare to the catalog price, determine the caliper measurement of the trees (2 inches). Compare the EPL/PPS 2-inch caliper price to the catalog ten-foot price to determine the lower price.

- (8) The EPL/PPS Base Price Tables list maximum insurable prices for liners based on three ranges of number of cells per tray along with an equivalency measurement based on cell diameter at the widest point of the container interior. Each cell is valued as a separate plant. The cell per tray ranges and corresponding inch equivalency ranges for all plant types are as follows:

(a) 72 - 200 cells per tray (corresponds to 1" to <2" cell diameter equivalency);

(b) 37 - 71 cells per tray (corresponds to 2" to <2-3/8" cell diameter equivalency);

(c) 3 - 36 cells per tray (corresponds to 2-3/8" to <3" cell diameter equivalency).

Liner growers sometime use tray sizes that have insurable cell sizes (i.e., equal to or greater than one inch in diameter at the widest point of the cell interior) but the diameter measurement of the cells does not correspond with the cell per tray range listed in the EPL/PPS. If this is the case, a comparable size determination is required before the lower of price rule can be applied. To make this determination, the appropriate maximum insurable price is based on the cell diameter at the widest point of the container interior. The range of cells per tray that corresponds to the actual inch diameter equivalency of the cell will be used to establish the maximum insurable liner price.

**EXAMPLE:** If a tray contains 48 cells but the diameter of the cells are 2 ½ inches, the maximum insurable price is based on the price for the 3 - 36 cells per tray range, not the 37 - 71 cells per tray range. Compare the EPL/PPS 3 - 36 prices to the catalog price to determine the lower of price.

- (9) The insurable price of upgraded plants under the NGPE cannot exceed the catalog or price list price for the plant.

## **F. BASIS FOR INDEMNIFICATION**

- (1) Indemnities will be paid on basic units as applicable, on a dollar-for-dollar basis for the occurrence, once the lesser of the unit Occurrence Deductible or the **REMAINING** Crop Year Deductible has been satisfied.
- (2) Claims will be submitted as "final claims," each of which will build upon the information obtained from any previous "final claims" for the basic unit for the crop year.
- (3) Occurrence deductibles, determined by the loss adjuster, are accumulated to satisfy the Crop Year Deductible, without regard to whether the unit actually qualifies for an indemnity in any loss occurrence. Once the Crop Year Deductible is satisfied, an occurrence deductible is no longer applicable (unless a **revised PIVR** or Peak Inventory Endorsement has been accepted to increase unit liability, crop year deductible, and premium). Data from previous loss adjustment during the same crop year must be available for the adjuster to:
  - (a) Assure proper credit of losses counting toward the Crop Year Deductible; and
  - (b) Avoid exceeding the total amount of insurance for the unit and overpayment of an indemnity.

## **G. ESTABLISHING FIELD MARKET VALUE A (FMV-A)**

- (1) The Nursery Crop Provisions define FMV-A as the value of undamaged insurable plants in the basic unit, immediately prior to the occurrence of any loss, as determined by our appraisal.
- (2) Market value establishment of nursery plants differ from other crops because market reports that are available for most other insured crops are not available for nursery. The Nursery Crop Provisions require that the insured submit a PIVR for each insured practice by basic unit, for all growing locations within the county, that include the plant type, the PIVR inventory value, the coverage level selected, and the insured share.

At the AIP's option, the insured will be required to provide documentation in support of the PIVR, with a detailed plant inventory listing that includes the name, the number, and the size of each plant and acceptable records of sales and purchases for the three previous crop years in the amount of detail required. For CAT coverage only, the insured must report the greatest amount of plant sales in any of the previous 3 years and the actual inventory value on the date insurance attaches, on the PIVR. Failure to provide requested documentation or providing inadequate documentation will result in denial of insurance for the crop year for the basic unit.

- (3) For standardization purposes, the AMERICAN STANDARD FOR NURSERY STOCK (ANSI Z60.1), published by the American Nursery & Landscape Association (ANLA), will be used as the plant size measurement standard for insurance purposes. When standards issued by a state are in conflict with ANSI Z60.1 standards, the ANSI Z60.1 standards will prevail for insurance purposes.

- (a) The before and after loss value of plants grown in containers that are oversized relative to the current physical size of the plant will be adjusted (using the EPL/PPS as a basis), for the container size listed in the standard that is appropriate for the actual plant size.
- (b) Field grown and dug plants will be size-evaluated by plant height, width, and/or caliper size depending on the particular plant genus and species using the procedures specified in ANSI Z60.1. For insurance to remain in effect for dug plants, the root ball must be roughly the dimension or larger than that specified in the standard. The policy states that insurance coverage ceases for bare-root plants when the plants are removed from the field.

Copies of the ANSI Z60.1 Standard are available for purchase from ANLA Publications, Washington, D.C., at (202) 789-5980, extension 3019.

- (4) Previous years' nursery wholesale records, pending sales contracts (as supported by previous sales records), and actual nursery wholesale price lists can be used to support nursery operation practices previously and currently carried out, as determined by the AIP.
- (5) FMV-A is established using the lower of the growers' best wholesale catalog price or the EPL/PPS price for the size attained (container size for containerized plants or height/width/caliper for field grown plants). This requires the AIP (and loss adjuster) to confirm the number of plants in a unit by size, genus/species, and the commensurate before-loss value.

## **H. ESTABLISHING FIELD MARKET VALUE B (FMV-B)**

- (1) The Nursery Crop Provisions define FMV-B as value remaining for the insurable plants in the basic unit, immediately following the occurrence of the loss as determined by appraisal, plus any reduction in value due to uninsured causes.

The appraisal is to be conducted as soon as reasonably possible after the loss has occurred.

- (2) The Nursery Special Provisions define how to determine the insurable value of damaged plants that are accepted for coverage and will fully recover at some time after the loss occurrence is calculated as follows:
  - (a) Determine the number of months required for the plant to reach the stage of growth at which damage occurred;
  - (b) Determine the number of months required for the plant to recover to the stage of growth at which damage occurred;
  - (c) Divide the results of (b) by the results of (a);
  - (d) Subtract the results of (c) from 1.00; and
  - (e) Multiply the results of (d) by the insurable plant price.

(3) In establishing the total market value of the insured crop for the damaged unit, the loss adjuster must determine the value of plants that will fall into 4 groups:

(a) Plants that are not damaged;

(b) Plants that are damaged and will not recover to a marketable quality any time after the loss;

(c) Plants that are damaged and will only partially recover to a lower marketable value;

(d) Plants that are damaged and will fully recover.

GROUP	INFORMATION
<p>1 Plants <b>WITHOUT DAMAGE</b></p>	<p>Plants without damage are valued according to the lower of the growers' best wholesale catalog price or the EPL/PPS price for the appropriate container size or height/width/caliper (the same values used to establish FMV-A).</p>
<p>2 Damaged plants that <b>WILL NOT RECOVER</b> any time after the loss occurrence</p>	<p>Damaged plants that will not recover to saleable quality at ANY time after the loss occurrence will have zero value, unless the plants are to be used for propagation or otherwise salvaged. The determination that damaged plants will not recover to saleable quality at any time after the loss occurrence should be supported with photographs and opinions of nursery specialists or any other documentation that justifies the determination.</p> <p>The insured must follow CSREES (Cooperative State, Research, Education, and Extension Service) recommended disposal methods for plants valued as zero. Any damaged plants retained by the insured (such as for propagation) must be assigned an appropriate value (must be greater than zero). Plant materials retained solely for the purpose of propagation (stock plants) are considered uninsurable; therefore, any additional damage and loss, irrespective of cause, is considered uninsurable.</p>
<p>3 Damaged plants that <b>WILL ONLY PARTIALLY RECOVER</b> any time after the loss occurrence</p>	<p>Damaged plants that will ONLY recover to a lower saleable value at ANY time after the loss occurrence will be considered salvage. The determination that the damaged plants will not recover completely to pre-damage saleable value at any time after the loss occurrence should be supported by photographs and opinions of nursery specialists or any other documentation that justifies the determination.</p> <p><b>EXAMPLE:</b> Assume that a damaged plant with the undamaged price list value of \$30.00 (value of the plant by the lower of the growers' best wholesale catalog price or the EPL/PPS price) will not recover back to its pre-damage stage of growth. The plant would be saleable only at a reduced price. The reduced plant value that can be obtained at the time of sale (e.g., \$15.00) is the remaining or salvage value.</p>

GROUP	INFORMATION
<p>4 Damaged plants that <b>WILL FULLY RECOVER AT SOME TIME</b> after the loss occurrence</p>	<p>Damaged plants with the ability to recover at some time after the loss occurrence must be valued at a percentage of the value price as described in Group 1. Compute the applicable damage percentage by comparing the number of months required for the plant to recover to its pre-damage stage of growth.</p> <p><b>EXAMPLE:</b> Assume that a plant is damaged in a quart container at a 6-month growth stage (from seedling). The undamaged price list value is \$5.00 (value of the plant in a quart-sized container). The plant will require 2 months to recover back to its current (6 month) growth stage; therefore, the remaining value would be \$3.35 (2 months (time required for the plant to recover) / 6 months (time necessary to reach the stage of growth at the time of damage) = 33% damage; 1.00 - .33 = .67 remaining value factor; \$5.00 (value of the undamaged plant from the price list X .67 factor = \$3.35 remaining value). Similarly this method is used to evaluate in-ground plants recovery to a pre-damage stage of growth.</p> <p>If the same containerized plant had been in an oversized container (a 10 gallon container with a value [undamaged price list value] of \$25.00), Field Market A must be adjusted to reflect the proper container size for the plant -- a quart-sized container as above, as supported by The American Standard for Nursery Stock. Calculate the remaining-value as above.</p> <p>Damaged plants will remain insured at a reduced value (based on recovery time remaining) until the plants recover to the equivalent growth stage at the time of damage. Any additional damage resulting from the insured's failure to follow recommended damaged-plant treatment would be considered damage resulting from avoidable causes and is considered uninsurable.</p> <p>The above method allows fair valuation of damaged recoverable plants. Recovery time will vary by plant species, area of the country, and growing practices of the particular nursery. If the nursery repots its plants at a stage of growth that differs from other nurseries, use discretion in determining if oversized-container procedure is to be applicable; use only when unreasonable, container sizes are used.</p>

- (4) In establishing the expected number of months required for a damaged plant to recover, all available information must be considered, including qualified specialists' opinions. The documentation of opinions, when a dispute arises between the insurer and the insured concerning the damaged plant recovery time, must be included as part of the official claim file.
- (5) Any plant grown for a niche market (such as poinsettia for Christmas) that is damaged by an insurable cause and due to such damage will not be a marketable plant within that niche marketing period may be considered to have zero value, **unless the plant has some residual value (salvage, alternate market, or it is to be used for propagation).**

A niche market applies only to a very narrow selection of plant types (e.g., poinsettias, Easter lilies, poppies, etc.) THAT GENERALLY CANNOT BE SOLD AFTER A SPECIFIC POINT IN TIME. Plants grown under contract for delivery are not, by themselves, considered plants grown for a niche market. Available alternate markets will prevent plants from being declared zero value. An alternate market is one that will buy the plant for some use; i.e., poinsettia AFTER Christmas or Easter lilies AFTER Easter, for weddings, church decorations, etc. They generally will provide a lesser (not indemnifiable, see below) monetary return than the targeted seasonal market.

- (6) Plants grown for niche markets which were damaged but recover to an undamaged condition during a normal marketing period will be valued at the lower of the growers' best wholesale-catalog price or the EPL/PPS price. A reduced value from selling undamaged plants to an alternative market is not an insurable cause of loss. The policy does not guarantee price.
- (7) Propagation plants (such as "stock" plants grown solely for cuttings, air-layering, seed production, etc.) **are not considered insurable. Damaged plants that are kept for propagation must be assigned an appropriate salvage value and coverage will cease.** The inability to market plants solely due to marketing conditions (such as an over-supply of poinsettia, lack of demand, quarantine, etc.) is not otherwise insurable. This does not include plants that are marketable once they have recovered from damage, regardless of whether or not they were marketed in the initially-intended market. Such plants would be valued according to group "4" procedure as described in the table above.

## **I. INSECT OR DISEASE CLAIMS**

- (1) The Nursery Crop Provisions specify that insurance is not provided against any loss caused by insect or disease infestation unless no effective control **measure exists or coverage is specifically provided by the Special Provisions.**
- (2) **Claims reporting insects or disease as a cause of loss must be thoroughly documented, indicating what insect/disease control practices were in place, and specialists' opinions that the insect and/or disease could not be controlled.**

**Plants that are to be destroyed in order to contain the spread of disease must be destroyed and that destruction verified before a claim for indemnity can be finalized. Such plants would be considered to have zero value.**

**Plants that do not incur insurable physical damage are not covered for loss caused by the imposition of a boycott, a stop sales order, quarantine, or Phytosanitary restriction.**

## **J. SPECIAL CONSIDERATIONS/CASE PROCEDURE**

- (1) Containers with multiple-species (cultivar) plantings are NOT insurable.
- (2) When required cold protection has been used for only part of an otherwise insurable-nursery-plant-species inventory requiring cold protection, only those plants having the required cold protection are considered insurable against cold damage.



- (3) Nursery plants are not considered insurable until they become established, even if they are otherwise insurable. A plant will be determined to be established when it has a viable root and foliage system capable of supporting its growth without input from the food reserves of seeds, cuttings, etc.
- (4) If a field-grown plant does not qualify for insurance due to plant stem/trunk diameter measurement above the graft union, such plant will be considered insurable if the stem/trunk measurement below the graft union qualifies for insurance.
- (5) Ongoing, detectable damage that occurs at the end of the insurance period is to be covered by the AIP of record at the time damage occurred, PROVIDED TIMELY NOTICE OF DAMAGE IS GIVEN. If a different AIP is to assume liability for the subsequent crop year, insurance coverage is provided against insurable damage occurring within the new crop year as of the date liability is assumed.
- (6) Once liability is accepted by the assuming company, the assuming company is liable for coverage from that date. The inspection affirms the nursery's potential to produce a marketable product without undue probability of loss.
- (7) Undetectable (non-discernable) damage, whether ongoing or not, will be covered by the AIP of record when the majority of the damage occurred, provided the insured provides timely notice of probable damage and can establish the insurable cause and time of the damage, subject to delayed notice/delayed claim requirements as specified in the LAM.
- (8) The AIP receives timely notice of probable damage or loss on a unit. During the loss inspection, the adjuster finds damaged plants for which the amount of damage can be determined and other plants where the amount of damage cannot be accurately determined until a later date.
  - (a) As provided in section 11 of the Crop Provisions and section 14 of the Basic provisions, the AIP may defer final adjustment of such plants until the amount of damage can be accurately determined. Only the appraisal of plants with undeterminable damage will be deferred. The AIP is to advise the insured that:
    - 1 The claim for those plants with undeterminable damage will be deferred until such time as the damage can be determined.
    - 2 The insured is to maintain identity of the plants with undeterminable damage and continue to care for them until such time an accurate determination of the damage can be made.

If the above is not done, the amount of damage to plants with undeterminable damage CANNOT be determined, and the plants for which deferral was made will be considered undamaged.

- (b) The adjuster will enter on a special report the following information for appraisal-deferred plants.
  - 1 Plant name, number, and size;
  - 2 Date and cause of loss, the type of undeterminable damage; and
  - 3 Length of time for which appraisal of the plants is deferred.
- (c) The adjuster will complete a final claim for plants with determinable damage at the time of initial inspection for the loss occurrence.
  - 1 Complete FMV-A and as would be done for any normal inspection.
  - 2 Complete FMV-B to reflect only those plants with determinable damage. (The appraisal-deferred plants will be included as undamaged plants in FMV-B of the Nursery Appraisal Worksheet.)
- (d) After damage to the appraisal-deferred plants can be accurately determined, complete a corrected claim with actual damage amounts. (On the corrected claim the only change will be changing the undamaged status of the deferred plants, reducing FMV-B to reflect the actual damage amount for the loss occurrence; FMV-A will remain unchanged.)

The corrected claim must be completed prior to completing a claim for subsequent damage. If the appraisal-deferment crosses from one crop year into the next, the insured must report the appraisal-deferred plants on the PIVR at full value prior to the damage in order for the insured to have full coverage if the plants are subsequently determined to have been undamaged. If the plants are found to have a reduced value at the time of the corrected claim, the AIP will reduce the PIVR by the amount of (additional) damage reflected by the corrected claim.

- (9) A revised PIVR to add inventory must be made no later than 30 days before the end of the crop year. A timely filed revised PIVR will be considered to be in effect 30 days after the written request unless, within the 30-day period:
  - (a) The proposed increase was rejected in writing by the AIP; or
  - (b) A loss occurred on the basic unit for which the revised report was prepared.

Downward PIVR revisions are limited. Use of an occurrence deductible has minimized the effects of over-reported inventory value for the indemnity calculation. Downward revisions and premium reductions are only allowed when appropriate to correct AIP clerical errors, to reduce reported values for previously damaged plants found during the inspection, and to remove values for uninsurable plants. Complete any revisions to the PIVR according to instructions provided by the AIP.

## **8. APPRAISAL DEVIATIONS AND MODIFICATIONS**

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### **A. DEVIATIONS**

Deviations in appraisal methods require FCIC written authorization (as described in the LAM) prior to implementation.

### **B. MODIFICATIONS**

There are no pre-established modifications contained in this handbook. See the LAM for information.

## **9. APPRAISAL WORKSHEET ENTRIES AND COMPLETION PROCEDURES**

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### **A. GENERAL INFORMATION**

- (1) Include the AIP's name in the appraisal worksheet title if not preprinted on the AIP's worksheet or when a worksheet entry is not provided.
- (2) Include the claim number on the appraisal worksheet (when required by the AIP), when a worksheet entry is not provided.
- (3) Nursery appraisals are to be made when:
  - (a) Directed by the AIP;
  - (b) When a notice of damage has been received.

See the LAM for additional reasons for appraisals.

- (4) Make separate appraisals for each **practice and** basic unit, if applicable. Document on a handwritten worksheet the plant name, size, and the amount of plant damage, for any damaged plants with a PDS of greater than 99 (software limitation).

Document **all** uninsured causes of loss in the REMARKS section.

- (5) Separate appraisal worksheets are required for each unit inspected. Multiple pages are usually required.
- (6) For plants insured by written agreement, enter the Type Code, and cold Storage keys columns 15a thru 15d.
- (7) Use separate lines for differing:
  - (a) Size of container for containerized plants or size of plant for field grown plants.

- (b) Degree of damage is established by the number of months the plants requires to recover to a marketable condition.
- (c) Salvage value.

Standard appraisal worksheet items are numbered consecutively in subsection B. An example appraisal worksheet is also provided to illustrate how to complete entries.

## **B. WORKSHEET ENTRIES AND COMPLETION INFORMATION**

Verify or make the following entries:

### **Item**

### **No.**

### **Information Required**

1. **Insured's Name:** Name of insured that identifies EXACTLY the person (legal entity) to whom the policy is issued.
2. **Policy Number:** Insured's assigned policy number.
3. **Unit Number:**
  - a. For buy-up coverage, enter the five-digit number (basic unit by type) from the PIVR after it is verified to be correct (e.g., 00100).
  - b. For CAT coverage, enter a five-digit unit number to represent the basic unit by share (consisting of **all plant types for the practice**, as applicable) (e.g., 00100).
4. **Crop Year:** Crop year, as defined in the policy, for which the claim has been filed.
5. **Cause(s) of Damage:** Name of the insured cause(s) of loss for this crop as listed in the LAM. If it is evident that there is no loss, enter "NONE." If an insured cause of loss is coded as "Other," explain in the "Remarks."
6. **Date of Damage:** Enter a SPECIFIC DATE of damage. This consists of the first three letters of the month and the specific date, as in the case of hail damage (e.g., Aug 11) or, for progressive damage, a specific date occurring within any applicable increased level of coverage (due to an upward-revised **PIVR** or Peak Endorsement) in effect at the time damage was occurring.
7. **Inspection Number:** Number of the inspection (e.g., 1).
8. **Practice Code:** Check the appropriate box for the three-digit number "007" for field grown or "008" for container grown.
9. **Written Agreement:** Check the appropriate box for "Yes" if SOME plants within the unit are insurable by an approved written agreement or "No" if an approved written agreement is not in effect.

10. **LOC State Code:** Enter the numeric state code (e.g., 37).

11. **LOC County Code:** Enter the numeric county code (e.g., 115).

The applicable hardiness zone is determined by location state and county. Verify that the plant is insurable in the applicable hardiness zone for the nursery. Containerized plants are insurable only within the span of hardiness zones listed in the actuarial documents (EPL/PPS) for the storage key (protection provided). Plants requiring cold protection are not insured against cold damage unless properly stored, as addressed on the storage key. Field plants are insurable in the stated hardiness zone and locations with a higher zone number.

12. **CAT Policy:** Check the appropriate box; "Yes" if the insured selected CAT coverage or "No" if the insured selected buy up coverage.

13. **Basic Units By Type:** Check the appropriate box: "Yes" if insured selected basic unit coverage by type or "No" if insured selected basic unit coverage by share. Only additional coverage policies may have basic units by type. All CAT policies have basic units by share.

14. **Plant Name:** Plant genus, species, and cultivar as listed in the EPL/PPS or from an approved written agreement. Include genus, species, and cultivar name as necessary to establish plant identity and value for the line.

15. **Written Agreement Only:** Complete items 15a thru 15d only when the plants entered on the page are insured by written agreement. Otherwise leave blank. For the genus, species, and cultivars shown in item 14 for the line enter, as shown on the written agreement:

15a. **Type Code:** (e.g., BE, DT, etc.).

15b. **Storage Key:** (e.g., R1, G3, etc.).

15c. **Container HZ (Hardiness Zone)/ Req. (Required):** (e.g., 3-6). Leave blank if not provided on the written agreement.

**Container HZ (Hardiness Zone)/ Not Req. (Not Required):** (e.g., 7-8). Leave blank if not provided on the written agreement.

15d. **Minimum Field HZ (Hardiness Zone):** (e.g., 6). Leave blank if not provided on the written agreement.

16. **Size/Container:** For a genus, species, and cultivar, as appropriate, where degree of damage is similar, enter the appropriate:

16a. Number: Actual count, by name as published in the eligible plant list or applicable written agreement, the plants by plant size, height, width, or caliper for field grown plants or the number of containers for containerized plants with similar damaged and undamaged values.

16b. Size: **Container size** for containerized plants or **plant size** (height, width, or caliper) for field grown plants, as published in the EPL/PPS or applicable written agreement, at the time of loss, with similar damaged and undamaged values. Plants grown in oversized containers must be shown according to the appropriate container size for the plant (See Section G(2)). In the Remarks section or on an attached Special Report, document and describe plants that were adjusted in value due to previous damage, or were adjusted in size due to being grown in oversized containers.

If more than one price is listed in EPL/PPS for the same plant (e.g., a price by both caliper and height), see the Special Provisions and the Nursery Underwriting Guide for determining which price and size entry to use.

17. **Months to Recover:** Enter the following:

a. Number of months

For damaged plants that will recover to the pre-damage stage of growth, enter the number of months normally required for the plant to recover to the pre-damaged stage of growth (e.g., 6, 25, and 36).

**EXAMPLE:** A plant is damaged in the 12-month stage of growth (from the initial planting of the plant), and the plant requires 4 months to recover to the 12-month stage of growth, enter "4".

For damaged plants that will not recover to the pre-damage stage of growth and will be sold at a reduced price are to be entered as salvage plants. The salvage value to be entered in **\$ Value per Each After Loss** (item 20b) is the reduced value.

**EXAMPLE:** A \$30.00 plant is damaged in the 12 month stage of growth and will recover to a marketable plant with the reduced value of \$15.00, enter "S".

- b. "U" For undamaged plants.
- c. "D" For plants completely destroyed (dead, non-salvageable).
- d. "S" For plants with salvage value or other use (including propagation).

18. **Months to Reach Pre-Damaged Stage:** FOR RECOVERABLE PLANTS, enter the number of months normally required for the plant to reach the pre-damaged stage of growth. For all other plants leave blank.

19. **Remaining Value Factor:** For recoverable plants, enter the result of 100 minus (**Months to Recover** (item 17) divided by **Months to Reach Pre-Damaged Stage** (item 18)), recorded to whole percent (e.g., 65). For undamaged plants enter 100. For dead plants enter 0. For all salvage plants leave blank.

20. **\$ Value Per Each:**

20a. **Before Loss:** The dollar-and-cents per plant value appropriate from the following:

- (1) The lower of the price in the Nursery's catalog minus all discounts or the maximum price shown in the EPL/PPS (identify on any hand completed forms use of the catalog price by entering an "\*" after entering the price).
- (2) Value from an approved written agreement.
- (3) The upgraded plant prices for the upgraded plants, when the NGPE is in effect.
- (4) Total value of undamaged liners multiplied by the survival factor.
- (5) As adjusted for previous damage.

20b. **After Loss:** The dollar-and-cents per plant value determined by multiplying the **\$ Value Per Each Before Loss** (item 20a) times **(Remaining Value Factor)**(item 19), rounded to whole cents. For salvage plants the dollar and cents value determined by the adjuster.

20c. **Uninsured Damage:** The reduction in per plant value due to uninsured damage, in dollar and cents, determined by the adjuster. Document the uninsured cause in the remarks and include supporting materials from any nursery specialists utilized in the determination.

Salvage value will be the greater of the dollar and cent value per plant remaining as a marketable plant, or for alternate uses such as cuttings, boughs, grafts, mulch, etc., whether or not actually sold for such use.

21. **Total \$ Value/Line:**

21a. **Before Loss:** \$Value per Each before **Loss** (item 20a) times **Size/Container Number** (item 16a), to whole dollars.

21b. **After Loss:** \$Value per Each after **Loss** (item 20b) times **Size/Container Number** (item 16a), to whole dollars.

21c. **Uninsured Damage:** \$Value per Each **Uninsured Damage** (item 20c) times **Size/Container Number** (item 16a), to whole dollars.

22. **Remarks:** ON THE LAST PAGE of the Nursery Appraisal Worksheet for the unit, enter:

- a. Date of appraisal.
- b. Documentation for any adjustment in plant value due to prior damage, uninsured causes, or oversized containers.

- c. Documentation of any salvage value assigned.
- d. Cause assessed for uninsured cause of loss appraisals, identified by plant.
- e. Any other pertinent information that pertains to the inspection.
- f. Documentation for any adjustment in plant value due NGPE approved prices used to calculate FMV A.

If additional space is needed, use and attach a Special Report and refer to the attachment in the Remarks section.

- 23. **Total - This Page:** Separately total the **Total \$Value/Line before Loss** column (item 21a), the **Total \$Value/Line after Loss** column (item 21b), and the Total \$ Value/line Uninsured Damage column (item 21c) for each Nursery Appraisal Worksheet for the unit. Enter in the appropriate column in whole dollars.
- 24. **Unit Total:** Separately total the **Total-This Page Before Loss** (item 21a), **Total-This Page After Loss** (item 21b), and **Total-This Page Uninsured Damage** (item 21c), entries for all pages used for the unit. Enter each unit total in the appropriate column ON THE LAST PAGE of the Nursery Appraisal Worksheet for the unit.
- 25. **Insured's Signature and Date:** Insured's (or insured's authorized representative's) signature and date. BEFORE obtaining insured's signature, REVIEW ALL ENTRIES on the appraisal worksheet WITH THE INSURED, particularly explaining codes, etc., which may not be readily understood.
- 26. **Adjuster's Signature, Code Number and Date:** Signature of adjuster, code number, and date signed **after** the insured (or insured 's authorized representative) has signed. For an absentee insured, enter adjuster's code number ONLY. The signature and date will be entered AFTER the absentee has signed and returned the Appraisal Worksheet.
- 27. **Consultant's Name and Date:** Name of consultant and date, if present and assisting with the unit appraisal.
- 28. **Page Number:** Page number and total number of pages for the basic unit (Example: Page 1 of 1, Page 1 of 2, Page 2 of 2, etc.).



<b>For Illustration Purposes Only</b>						1 INSURED'S NAME			2 POLICY NUMBER			3 UNIT NUMBER					
<b>NURSERY APPRAISAL WORKSHEET</b>						I M INSURED			XXXXXXX			00100					
						4 CROP YEAR		5 CAUSE(S) OF DAMAGE			6 DATE OF DAMAGE		7 INSPECTION NUMBER				
		YYYY		FREEZE			JAN 11		1								
8 PRACTICE CODE		9 WRITTEN AGREEMENT?			10 LOC STATE CODE		11 LOC COUNTY CODE			12 CAT POLICY?		13 BASIC UNITS BY TYPE?					
007 <input type="checkbox"/> 008 <input checked="" type="checkbox"/>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>			37		115			Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>					
14 PLANT NAME (Genus/Species/Cultivar)		15a Type Code	15b Storage Key	15c Container HZ		15d Field HZ Min.	16 SIZE/CONTAINER		17 Months to Recover (U, D, S or No. Months)	18 Months to Reach Pre-Damage Stage	19 Remaining Value Factor (100 - (17/18))	20 \$ VALUE PER EACH			21 TOTAL \$ VALUE/LINE		
				Req.	Not Req.		16a Number	16b Size				20a Before Loss (Value from Price Listing)	20b After Loss (20a x 19)	20c Uninsured Damage	21a Before Loss (16a x 20a)	21b After Loss (16a x 20b)	21c Uninsured Damage (16a x 20c)
Buxus harlandii							200	1 gal	U		100	2.40 *	2.40	00	480	480	00
Buxus harlandii							200	3 gal	D		0	8.25	00	1.03	1650	00	206
Buxus harlandii							200	3 gal	6	10	40	8.25	3.30	1.03	1650	660	206
Buxus harlandii							200	1 gal	S			2.40 *	0.60	0.30	480	120	60
22 REMARKS											23 TOTAL - This Page		4260	1260	472		
Salvage; used for propagation. Uninsured damage due to chemical damage.											24 UNIT TOTAL		4260	1260	472		
Appraisal completed MM/DD/YYYY Plant prices from approved NGPE prices.																	
25 INSURED'S SIGNATURE											DATE						
I M INSURED											MM/DD/YYYY						
26 ADJUSTER'S SIGNATURE/CODE NUMBER								DATE		27 CONSULTANT'S NAME				DATE			
I M ADJUSTER XXXXX								MM/DD/YYYY		I M CONSULTANT				MM/DD/YYYY			
28 Page 1 of 1 Pages																	

Company: ABC COMPANY

Claim No.: XXXXXXXX

<b>For Illustration Purposes Only</b>						1 INSURED'S NAME  I M INSURED				2 POLICY NUMBER  XXXXXXXX			3 UNIT NUMBER  00100						
<b>NURSERY APPRAISAL WORKSHEET</b>						4 CROP YEAR  YYYY		5 CAUSE(S) OF DAMAGE  Tornado			6 DATE OF DAMAGE  JAN 25			7 INSPECTION NUMBER  1					
8 PRACTICE CODE  007 <input checked="" type="checkbox"/> 008 <input type="checkbox"/>		9 WRITTEN AGREEMENT?  Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>				10 LOC STATE CODE  37			11 LOC COUNTY CODE  115			12 CAT POLICY?  Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		13 BASIC UNITS BY TYPE ?  Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>					
14 PLANT NAME  (Genus/Species/Cultivar)		15a Type Code	15b Storage Key	15c Container HZ		15d Field HZ Min.	16 SIZE/CONTAINER		17 Months to Recover (U, D, S or No. Months)	18 Months to Reach Pre-Damage Stage	19 Remaining Value Factor (100 - (17/18))	20 \$ VALUE PER EACH			21 TOTAL \$ VALUE/LINE				
				Req.	Not Req.		16a Number	16b Size				20a Before Loss (Value from Price Listing)	20b After Loss (20a x 19)	20c Uninsured Damage	21a Before Loss (16a x 20a)	21b After Loss (16a x 20b)	21c Uninsured Damage (16a x 20c)		
Agreement Name		DS	R1	3-6	7-8	5	750	6 in.	U		100	4.05	4.05	00	3,038	3,038	00		
Agreement Name		DS	R2	3-5	6-8	7	100	6 ft.	D		0	55.26	00	00	5,526	000	00		
Agreement Name		DS	R1	3-5	6-8	7	250	4 ft.	12	18	33	29.25	9.65	00	7,313	2,413	00		
Agreement Name		DS	R2	3-6	7-8	5	500	18 in.	S			12.45	1.00	1.00	6,225	500	500		
22 REMARKS Salvage; used for propagation. Uninsured damage due to chemical damage.  Appraisal completed MM/DD/YYYY											23 TOTAL - This Page			22,102	5,951	500			
25 INSURED'S SIGNATURE  I M INSURED											24 UNIT TOTAL			65,835	18,650	972			
DATE											26 ADJUSTER'S SIGNATURE/CODE NUMBER  I M ADJUSTER XXXXX			27 CONSULTANT'S NAME  I M CONSULTANT			DATE  MM/DD/YYYY		

## **10. CLAIM FORM ENTRIES AND COMPLETION PROCEDURES**

### **A. GENERAL INFORMATION**

- (1) The claim form (hereafter referred to as the "Production Worksheet") is a form specific to nursery loss adjustment. A separate set of production worksheets are needed for each basic unit loss inspection; each production worksheet can accommodate up to six **plant types for units by share**.
- (2) If a change or correction is necessary, strike out entry and re-enter correct entries above previous entry. The adjuster and insured should initial any changes.
- (3) Refer to the LAM for instructions regarding the following:
  - (a) Delayed notices and delayed claims.
  - (b) Corrected claims or fire losses (double coverage) and cases involving uninsured causes of loss, unusual situations, controversial claims, concealment, or misrepresentation.
  - (c) "No Indemnity Claims" (which must be verified by a NURSERY INSPECTION or NOTIFICATION from the insured that the FMV-B equals FMV-A).

Any insurable loss to insurable nursery inventory will reduce the applicable crop year deductible whether or not an indemnity is due.
- (4) The adjuster is responsible for determining if the insured has complied with all of their requirements under the notice and claim provisions of the policy. If they have not, the adjuster should contact the AIP.
- (5) All nursery inspections initiated through a notice of loss are considered final inspections.
- (6) Specific loss calculations are discussed in the instructions for the completion of the Nursery Production Worksheet. For each loss occurrence, the claim is settled on a basic unit basis.

### **B. FORM ENTRIES AND COMPLETION INFORMATION**

**Verify or make the following entries:**

<b><u>Item No.</u></b>	<b><u>Information Required</u></b>
1.	<b>Crop and Code No:</b> "Nursery" (0073).
2.	<b>Basic Unit:</b> Five-digit basic unit number from the PIVR, after it is verified to be correct, (e.g., 00100) followed by the Practice code (e.g., 007 or 008).

3. **Legal Description:** Section, township, and range number, street address, or other legal description that identifies the location of the unit.
4. **Date of Damage:** Enter a SPECIFIC DATE of damage. This consists of the first three letters of the month and the specific date, as in the case of hail damage (e.g., Aug 11) or, for progressive damage, a specific date occurring within any applicable increased level of coverage (due to an upward-revised PIVR or Peak Inventory Value Report) in effect at the time damage was occurring.
5. **Cause of Damage:** Name of insured cause of loss for **this crop** as listed in the LAM. If it is evident that there is no loss, enter "NONE". If an insured cause of loss is coded as "Other" explain in the "Narrative."
 

Refer to the Basic Provisions and Crop Provisions for this crop for information pertaining to insured and uninsured causes of loss. Even when no indemnity is due, a claim for indemnity must be prepared to reduce the applicable crop year deductible, unless the insured declines having the crop inspected.
6. **Primary Cause %:** Percent of damage listed in item 5 above that is determined to be the primary cause of damage, to the nearest whole percent. The primary cause of damage must exceed 50 percent (e.g., 51%). Enter an "X" for the major secondary cause of damage.
7. **Company/Agency:** Name of the insurance provider and agency servicing the contract.
8. **Name of Insured:** Name of the insured that identifies EXACTLY the person (legal entity) to whom the policy is issued.
9. **Claim Number:** Claim number as assigned by the insurance provider.
10. **Policy Number:** Insured's assigned policy number.
11. **Crop Year:** Crop year, as defined in the policy, for which the claim is filed.
12. **Basic Unit By Type:** Check the appropriate box, "Yes" if the insured selected Basic units by type; otherwise, check "No".
13. **Date Notice of Loss:** The date the notice of damage was given for the basic unit in item 2. Always enter the complete Date of Notice (Month, day, and year).
14. **Assign. of Indemnity:** Check the appropriate box, "Yes" **only** if an assignment of indemnity for nursery is in effect for the crop year; otherwise, check "No". Refer to the LAM.
15. **Transfer of Right to Indemnity:** Check the appropriate box, "Yes" **only** if a transfer of right to an indemnity is in effect for the unit for the crop year; otherwise, check "No". Refer to the LAM.

16. **Companion Policies:**

- a. If no other person has a share in the unit (insured has 100 percent share), MAKE NO ENTRY.
- b. In all cases where the insured has LESS than a 100 percent share of a loss-affected unit, ask the insured if the OTHER person sharing in the unit has a multiple-peril crop insurance contract (i.e., not crop-hail, fire, etc.). If the other person does not, enter "NONE".
  - (1) If the other person has a multiple-peril contract and it can be determined that the SAME insurance provider services it, enter the contract number. Handle these companion policies according to AIP instructions.
  - (2) If the OTHER person has a multiple-peril crop insurance contract and a DIFFERENT AIP or agent services it, enter the name of the insurance provider and/or agent (and contract number) if known.
  - (3) If unable to verify the existence of a companion contract, enter "Unknown", and contact the insurance provider for further instructions.

Refer to the LAM for information regarding companion contracts. Differing ownership (share) constitutes a basis for additional basic units for CAT policies only.

**SECTION I - IMMEDIATELY PRIOR TO THIS LOSS**

Verify or make the following entries:

**Item**

**No.      Information Required**

- 17a. **Basic Unit XPS Liability:** This is the current basic unit liability, prior to reduction for percent price election and share. It is the PIVR (plus any applicable Peak Inventory Value Report), times the coverage level percent as a decimal, in whole dollars. Complete this entry on only the first page of each inspection when multiple-page basic unit claim forms are required.
- 17b. **Basic Unit Previous Indemnity (ies):** Previous Preliminary Indemnities (item 32) calculated during previous loss occurrences for the basic unit.
- a. For all cases if the Inspection Number equals 1 enter "0".
  - b. For CAT policies, policies without peak endorsements, or policies with peak endorsements and a loss was not paid during the time a peak was in effect, enter the sum of all Preliminary Indemnities (item 32) calculated during previous loss occurrences. This figure cannot exceed the amount entered in item 17a.

- c. For policies with an expired Peak Endorsement(s) and damage occurred and losses were calculated during the time the Peak Endorsement was in effect, enter only the amount of the Preliminary Indemnities in excess of the Preliminary Indemnity applicable to the peak, plus any amounts from other previous applicable Preliminary Indemnities.

Complete this entry on only the first page of each inspection when multiple-page basic unit claim forms are required.

- 17c. **Effective XPS Liability: Basic unit XPS Liability** (item 17a) minus **Basic Unit Previous Indemnities** (item 17b). For multiple page production work sheets, because of greater than 6 plant types within the basic unit, enter the amount from the previous pages column **F. Unit No., Effective XPS Liability Remaining** (item 36).

If a paid loss occurred while a peak was in effect and the next loss occurrence is after the peak expired, the remaining XPS Liability will be reduced by only the amount that is greater than the amount paid for the peak.

One Peak Inventory Endorsement may be purchased during the crop year for each basic unit (an additional Peak Endorsement is available, if previous insured losses occurred and the nursery was restocked). There is a 30-day waiting period for the endorsement to become effective. It is APPLICABLE for the period stated on the Peak Inventory Value Report form AFTER the waiting period has passed, if NO LOSS HAS OCCURRED during the waiting period and the Endorsement is ACCEPTED by the insurance provider. The Peak Inventory Endorsement cannot extend beyond the end of the crop year.

An upward-revised PIVR is used where additional insurance coverage is purchased for the remainder of the crop year to add coverage for added nursery inventory and/or to cover restocked nursery plants after a loss. (In this handbook and on the Production Worksheet, an upward-revised PIVR has been referred to as a "restock.") There is a 30-day waiting period for "restock" coverage to become effective. Coverage is not retroactive.

- 18a. **Basic Unit Crop Year Deductible:** It is the current basic unit PIVR plus revisions, and any applicable Peak Inventory Value Report(s), times (1.00 minus the coverage level percent as a decimal), in whole dollars. Complete this entry on only the first page of each inspection when multiple-page basic unit claim forms are required.

- 18b. **Basic Unit Previous Occurrence Deductible:** The applied Basic Unit Occurrence Deductible from previous loss occurrences for the basic unit.

- a. For all cases if the Inspection Number equals 1 enter "0".
- b. For CAT policies, policies without Peak Inventory Endorsements (peak), or policies with Peak Inventory Endorsements and a payable loss did not occur during the time a peak was in effect, enter the sum of all occurrence deductibles applied from previous loss occurrences. This figure cannot exceed the amount entered in item 18a.

- c. For policies with an expired Peak Inventory Endorsement(s) and payable loss occurred during the time the Peak Endorsement was in effect, enter only the amount of the occurrence deductible in excess of the occurrence deductible applicable to the peak plus any amounts from other previous applicable occurrence deductibles.

Complete entry on only the first page of each inspection when multiple-page basic unit claim forms are required.

- 18c. **Effective Crop Year Deductible (CYD): Basic Unit Crop Year Deductible** (item 18a) minus **Basic Unit Previous Occurrence Deductible** (item 18b). For multiple page production worksheets, because of greater than 6 **plant types within the same** basic unit, enter the amount from the previous pages' column **F. Unit No., Crop Year Deductible Remaining** (item 31).

If a payable loss occurred while a peak was in effect and the next loss occurrence is after the peak expired, the CYD will be reduced by only the amount greater than the amount applied for the peak.

## SECTION II - THIS LOSS

There are six type (A through F., Type Code) columns provided on the Production Worksheet. A separate production worksheet is required for each basic unit. For CAT and Additional coverage with share units and with multiple types applicable, use one column for each type insured and enter the same unit number on all the types; e.g., 00100, etc., and use additional pages if the basic unit has more than six types insured. If basic units by type are applicable, use the left hand column, "A. Type Code." to calculate the loss. For CAT and Buy-up with share units with multiple types, use the left hand columns to enter information and "G. Summary" column to calculate the loss. Complete "G. Summary" on the last Production Worksheet, to document the basic unit loss.

- 19a. **Inspection Number:** If the inspection is due to a notice of damage, enter the number of the inspection (e.g., 1), otherwise leave blank.
- 19b. **Coverage Level:** Enter the coverage level percent selected by the insured.
20. **Reported Basic Unit Value:** Sum the **PIVR** plus any Peak Inventory Value Reports in effect for the basic unit on the date the damage occurs; i.e., **Basic Unit XPS Liability** (Item 17a) plus **Basic Unit Crop Year Deductible** (item 18a).
21. **Sum of Prev Losses:** The sum of all previous basic unit losses (difference between **Field Market Value A** and **Field Market Value B**, adjusted by the applicable **Under-Reporting Factor**), EXCLUDING losses attributable to a previous Peak Endorsement after expiration of the Peak Endorsement; i.e., **Basic Unit Previous Indemnity** (Item 17b) plus **Basic Unit Previous Occurrence Deductible** (item 18b).

Payments made under the Rehabilitation Endorsement will not be considered a previous loss when calculating the under-report factor.

22. **Basic Unit Field Market Value A:** Sum all **Field Market Value A's** (entries in item 25) for each basic unit. **For additional coverage policies with units by type**, Field Market Value A and Basic Unit Field Market Value A will be equal.

23. **Under-Reporting Factor:** The lesser of a) 1.000, or b) **Reported Basic Unit Value** (item 20) minus **Sum of Prev. Losses** (item 21). Divide this result by **Basic Unit Field Market Value A** (item 22), and round to three decimal places (e.g., .775).

If the NGPE applies to the basic unit, no upgraded plant price will be use in calculating FMV A and B for any unit if the use of all upgraded plant prices applicable to the unit would cause the under-report factor for the unit to be less than .500. FMV A and B will be recalculated using Nursery Crop Provisions to establish the price per plant.

24. **Damage Similar to Other Nurseries:** Check the appropriate box, "Yes" if amount and cause of damage due to insurable causes is similar to the experience of other nurseries in the area; otherwise "No". Explain in the narrative.

**Columns A. through F.:** In the spaces provided, enter:

a. For a BASIC UNIT by plant type, the appropriate two-digit TYPE code (e.g., BE) in column 24A.

b. For a BASIC UNIT for a CAT policy, and for a BASIC UNIT for additional coverage policy with Basic Units by share, the appropriate two-digit TYPE code (e.g., BE) in columns 24A – F.

Complete columns A through F for items 25 through 28, for each **plant type**. Sum the entries in columns A through F to obtain basic unit totals, and enter the resulting sums on the appropriate line of column G. Complete the column G calculation in the normal manner. (The occurrence deductible **MUST** be calculated from the sum of all types.)



Policy Code	Plant Description	Alpha Code	Numeric Code
1.	Deciduous Trees (Shade and Flower)	DT	056
2.	Broad-leaf Evergreen Trees	BE	057
3.	Coniferous Evergreen Trees	CE	058
4.	Fruit and Nut Trees	FN	059
5.	Deciduous Shrubs	DS	060
6.	Broad-leaf Evergreen Shrubs	BS	061
7.	Coniferous Evergreen Shrubs	CS	062
8.	Small Fruits	SF	063
9.	Herbaceous Perennials	HP	064
10.	Roses	RO	065
11.	Ground Cover and Vines	GC	066
12.	Annuals	AN	067
13.	Foliage	FO	068
14.	Palms and Cycads	PC	070
15.	Liners (container grown only, and inclusive of all insurable plant types)	LI	071
16.	Other plant types listed in the Special Provisions	OT	069

25. **FMV-A:** Enter the appraised BEFORE-LOSS inventory whole-dollar value from the Nursery Appraisal Worksheet for this notice of loss.

For liners the total value of undamaged liners is multiplied by the survival factor.

26. **FMV-B:**

26a. **Value remaining-ins. cause:** Enter the appraised AFTER-LOSS inventory whole-dollar value from the Nursery Appraisal Worksheet for this notice of loss, when inventory was damaged due to an INSURED or UNINSURED cause.

26b. **Value assessed-unins. cause:** Enter the appraised UNINSURED DAMAGE inventory whole-dollar value from the Nursery Appraisal Worksheet for this notice of loss, when inventory was damaged due to an UNINSURED cause.

Enter the total appraisal, in whole dollars:

- (a) Use the total from the Uninsured Damage column from the Nursery Appraisal worksheet.
- (b) When Hail and Fire Exclusion is in effect and damage is from hail or fire, enter the loss in value due to hail or fire. Refer to the LAM.
- (c) For fire losses, if the insured also has other fire insurance (double coverage), refer to the LAM.

26c. **FMV-B (TOTAL):** Sum **Value remaining-ins. cause** (item 26a) and **Value assessed-unins. cause** (item 26b) in whole dollars.

27. **Unadjusted Loss: FMV-A** (item 25) minus **Total FMV-B** (item 26c) in whole dollars.

28. **Adjusted Loss: Unadjusted Loss** (item 27) times **Under-Reporting Factor** (item 23), rounded to whole dollars.

For CAT losses and **additional coverage losses by share only**, sum columns **A** through **F** (when two or more types are applicable) for items 25 through 28, and enter the totals in the appropriate line of column **G Summary**. Complete the remainder of the calculations for column **G**. An example of the Production Worksheet is shown on page **48**.

29. **Occurrence Deductible:** For a basic unit, enter in whole dollars, the LESSER OF:

- a. The calculated **Occurrence Deductible** [FMV-A (item 25) times, (100 minus Coverage Level percent) times the **Under-Reporting Factor** (item 23) for the unit]; or
- b. The **Effective Crop Year Deductible** (item 18c); or
- c. The **Adj. Loss** (item 28).

30. **Unadjusted Indemnity: Adj. Loss** (item 28) minus **Occurrence Deductible** (item 29).

31. **CYD Remaining:**

- a. For the basic unit, subtract the calculated Occurrence Deductible (item 29) from the Effective Crop Year Deductible (item 18c), and record in whole dollars.
- b. For **the basic unit**, subtract the calculated **Occurrence Deductible** (item 29) from the **CYD Remaining** (item 31), and record in whole dollars.
- c. The **CYD Remaining** must be equal to or greater than zero.

**EXAMPLE: CYD Remaining** (item 31) for the **basic** unit recorded in item 24, column A, will be used in place of the **Effective Crop Year Deductible** (item 18c) for column B and the **CYD Remaining** (item 31) for the **basic** unit recorded in item 24, column B, will be used in place of the **Effective Crop Year Deductible** (item 18c) for column C, etc.

32. **Preliminary Indemnity:** For the **basic** unit, enter the LESSER OF the **Unadjusted Indemnity** (item 30) or the **Effective XPS Liability** (item 17c), in whole dollars.

33. **Percent Share:** The insured's share (e.g. 1.000).

34. **Price Election Percent:** The percent of the price election the insured has will be **.55, or 1.00**. All CAT policies will have a price election percentage of **.55**. All additional coverage polices will have a price election percentage of **1.00**.

35. **Indemnity:** The result of **Preliminary Indemnity** (item 32) times **Percent Share** (item 33) times **Price Election Percent** (item 34), rounded to whole dollars.
36. **Effective XPS Liability Remaining:** Enter the **Effective XPS Liability** (item 17c) for the basic unit minus the **Preliminary Indemnity** (item 32), for this unit in whole dollars.
37. **Narrative:** If more space is needed, document on a Special Report, and enter A "See Special Report." Attach the Special Report to the Production Worksheet.
- a. Explain any uninsured causes, unusual, or controversial cases.
  - b. If there is an appraisal for uninsured causes due to hail/fire exclusion, show the original hail/fire liability per acre and the hail/fire indemnity per acre.
  - c. State that there is "No other fire insurance" when fire damages or destroys the insured crop and it is determined that the insured has no other fire insurance. Also see the LAM.
  - d. Explain any errors found on the **PIVR** and/or Peak Inventory Value Report.
  - e. Explain a "No" checked in item 24.
  - f. Explain any difference between the date of inspection and signature dates. For an ABSENTEE insured, enter the date of the inspection AND the date of mailing the Production Worksheet for signature.
  - g. When any other adjuster or supervisor or consultant accompanied the adjuster on the inspection, enter the code number of any other adjuster, or supervisor, and the name of any consultant present during the inspection and the date of inspection.
  - h. Explain any delayed notices or delayed claims as instructed in the LAM.
  - i. Document any other pertinent information.
  - j. Specify the type of insects or disease when the insured cause of damage or loss is listed as insects or disease. Explain why control measures did not work.
  - k. **Reasons why upgraded prices(s) were not used, i.e., incomplete records, under-report factor less than 0.500.**
38. **Insured's Signature and Date:** Insured's (or insured's authorized representative's) signature and date. BEFORE obtaining Insured's signature, REVIEW ALL ENTRIES on the Production Worksheet WITH THE INSURED, particularly explaining codes, etc., that may not be readily understood.
39. **Adjuster's Signature, Code Number, and Date:** Signature of adjuster, code number, and date signed **after** the insured (or insureds' authorized representative) has signed. For an absentee insured, enter adjuster's code number ONLY. The signature and date will be entered AFTER the absentee has signed and returned the Production Worksheet.

40. **Witness' Signature and Date:** Signature of witness and date signed **after** the insured (or insured's authorized representative) and adjuster has signed. For an absentee insured or if signatures are not observed, leave blank.
41. **Other Signature(s) and Date(s):** Signature(s) of others if present when the loss adjustment was conducted; e.g., consultants, etc., and the date signed.
42. **Page Numbers:** Page numbers - (Example: Page 1 of 1, Page 1 of 2, Page 2 of 2, etc.).

**C. PRODUCTION WORKSHEET CALCULATION QUICK REFERENCE**

**For each loss occurrence**

The following items are completed **ONLY** on page 1 of the Production Worksheet for each basic unit.

<b>17a Basic Unit XPS Liability</b> Report	<b>17b Basic Unit Previous Indemnities</b> Sum of 32, prev. losses	<b>17c Effective XPS Liability</b> 17a - 17b
<b>18a Basic Unit Crop Year Deductible</b> Report	<b>18b Basic Unit Previous Occurrence Deductibles</b> Sum of 29, prev. losses	<b>18c Effective Crop Year Deductible</b> 18a - 18b
<b>20 Reported Basic Unit Value</b> 17a + 18a	<b>21 Sum Prev. Losses (Adj. Losses)</b> 17b + 18b	<b>22 Basic Unit Field Market Value A</b> Sum of 25
	<b>23 Under-Reporting factor (URF)</b> (20 - 21) / 22	

Complete the following items on the Production Worksheet for each basic unit by share with multiple crop types insurable within the same basic unit.

Item	A. Type Code	B. Type Code	G. Summary
<b>25 FMV-A</b>	Adjuster det.	Adjuster det.	Sum of A. - F.
<b>26a. Value remaining-ins.</b>	Adjuster det.	Adjuster det.	Sum of A. - F.
<b>26b. Value assessed-unins.</b>	Adjuster det.	Adjuster det.	Sum of A. - F.
<b>26 FMV-B</b> <b>26c. FMV-B (TOTAL)</b>	26a + 26b	26a + 26b	Sum of A. - F.
<b>27 Unadjusted Loss (FMV-A - FMV-B (TOTAL))</b>	25 - 26c.	25 - 26c.	Sum of A. - F.
<b>28 Adj. Loss (for Under-Reporting; 27 X 23)</b>	27 X 23	27 X 23	Sum of A. - F.
<b>29 Occurrence Ded. (OD) FMV-A x (100-LVL%)</b>	Leave Blank	Leave Blank	<(28, calc. 29 or 18c)
<b>30 Unadjusted Indemnity</b>	Leave Blank	Leave Blank	28 - 29
<b>31 CYD Remaining</b>	Leave Blank	Leave Blank	18c - 29
<b>32 Preliminary Indemnity</b>	Leave Blank	Leave Blank	<(30 or 17c)
<b>33 Percent Share</b>	Leave Blank	Leave Blank	Report
<b>34 Price Election Percent</b>	Leave Blank	Leave Blank	Report
<b>35 Indemnity</b>	Leave Blank	Leave Blank	32 X 33 X 34
<b>36 Effective XPS Liability Remaining</b>	Leave Blank	Leave Blank	17c-32

Complete the following items on the Production Worksheet for each basic unit by type.

Item	A. Type Code	G. Summary
25 FMV-A	Adjuster determined.	Leave Blank
26a. Value remaining-ins.	Adjuster determined.	Leave Blank
26b. Value assessed-unins.	Adjuster determined	Leave Blank
26 FMV-B 26c. FMV-B (TOTAL)	26a + 26b	Leave Blank
27 Unadjusted Loss (FMV-A - FMV-B (TOTAL))	25 - 26c.	Leave Blank
28 Adj. Loss (for Under-Reporting; 27 X 23)	27 X 23	Leave Blank
29 Occurrence Ded. (OD) FMV-A x (100-LVL%)	<(28, calc. 29 or 18c)	Leave Blank
30 Unadjusted Indemnity	28 - 29	Leave Blank
31 CYD Remaining	18c - 29	Leave Blank
32 Preliminary Indemnity	<(30 or 17c)	Leave Blank
33 Percent Share	Report	Leave Blank
34 Price Election Percent	Report	Leave Blank
35 Indemnity	32 X 33 X 34	Leave Blank
36 Effective XPS Liability Remaining	17c-32	Leave Blank

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**For Illustration Purposes Only**  
**NURSERY PRODUCTION WORKSHEET/CLAIM FORM**

1 Crop and Code No. NURSERY 0073	2 Basic Unit 00100 008	3 Legal Description 123 WEST PINE ANY CITY, ANY STATE	7 Company ABC INSURANCE COMPANY ANY CITY, ANY STATE  Agency ABC AGENCY ANY CITY, ANY STATE	8 Name of Insured I M INSURED
4 Date of Damage JAN 11	5 Cause of Damage FREEZE	6 Primary Cause % 100	12 Basic Unit By Type Yes NO X	9 Claim Number XXXXXXXXXX
				10 Policy Number XXXXXXXXXX
				11 Crop Year YYYY
				13 Date Notice of Loss MM DD YYYY
				14 Assign. of Indemnity Yes No X
				15 Transfer of Right to Indemnity Yes No X
				16 Companion Policy(ies)

**SECTION I - IMMEDIATELY PRIOR TO THIS LOSS (Include Applicable Peak Endorsement(s))**

17a Basic Unit XPS Liability (Excluding Price & Share) 750,000	17b Basic Unit Previous Indemnity(ies) (Sum of 32, previous losses - exclude indemnities applicable to Peak Endorsements) 0	17c Effective XPS Liability (17a - 17b or 36 from page 1 > 6units) 750,000
18a Basic Unit Crop Year Deductible (Inventory Value X (1.00 Cov. Level)) 250,000	18b Basic Unit Previous Occurrence Deductible(s) (Sum of 29, previous losses - exclude Occur. Deductible(s) applicable to Peak Endorsements) 0	18c Effective Crop Year Deductible (CYD) (18a - 18b or 31 from page 1 if > 6 units) 250,000

**SECTION II - THIS LOSS**

19 a Inspection Number 1	20 Reported Basic Unit Value (17a + 18a) 1,000,000	21 Sum of Prev. Losses (Adj. Losses) (17b + 18b) 0	22 Basic Unit Field Market Value A (Sum of Item 25 entries) 885,000	23 Under-Reporting Factor (URF) [ $<(1.000 \text{ or } ((20 - 21) / 22))$ ] 1.000				
19 b Coverage Level 75 %								
24 Damage similar to other nurseries in the area? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>		A. Type Code DT	B. Type Code	C. Type Code	D. Type Code	E. Type Code	F. Type Code	G. Summary
25 FMV-A 885,000								
26a. Value remaining-ins. cause 550,500								
26b. Value assessed-unins. cause 10,000								
26c. FMV-B (TOTAL) (26a + 26b) 560,500								
27 Unadjusted Loss (FMV-A - FMV-B (TOTAL)) (25 - 26c) 324,500								
28 Adj. Loss (for Under-Reporting; item 27 x item 23) 324,500								
29 Occurrence Ded. (OD) (FMV-A x (100-level 75 %)) 146,250								
30 Unadjusted Indemnity (28 - 29) 178,250								
31 CYD Remaining (18c - 29) 103,750								
32 Preliminary Indemnity [ $<(30 \text{ or } 17c)$ ] 178,250								
33 Percent Share 1.000								
34 Price Election Percent 1.00								
35 Indemnity 178,250								
36 Effective XPS Liability Remaining (17c - 32) 571,750								

37 Narrative (If more space is needed, attach a Special Report)

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. False claims or false statements made on a matter within the jurisdiction of the Federal Crop Insurance Corporation may subject the maker to criminal and civil penalties under various Federal statutes including the provisions of 18 U.S.C. 1006, 1014; 7 U.S.C. 1506; 31 U.S.C. 3729, 3730, 3801, 3812.

38 Insured's Signature I M INSURED	Date MM/DD/YYYY	39 Adjuster's Signature I M ADJUSTER	Code Number XXXXX	Date MM/DD/YYYY
40 Witness' Signature	Date	41 Other Signature(s)	Date(s)	42 Page 1 of 1

**For Illustration Purposes Only  
NURSERY PRODUCTION WORKSHEET/CLAIM FORM**

1 Crop and Code No. NURSERY 0073	2 Basic Unit 00100 007	3 Legal Description 123 WEST PINE ANY CITY, ANY STATE	7 Company ABC INSURANCE COMPANY ANY CITY, ANY STATE	8 Name of Insured I M INSURED
4 Date of Damage JAN 20	5 Cause of Damage FREEZE	6 Primary Cause % 100	Agency ABC AGENCY ANY CITY, ANY STATE	9 Claim Number XXXXXXXXXX
12 Basic Unit By Type Yes	NO	X		10 Policy Number XXXXXXX
				11 Crop Year YYYY
				13 Date Notice of Loss MM DD YYYY
				14 Assign. of Indemnity Yes
				No
				X
				15 Transfer of Right to Indemnity Yes
				No
				X
				16 Companion Policy(ies)

**SECTION I - IMMEDIATELY PRIOR TO THIS LOSS (Include Applicable Peak Endorsement(s))**

17a Basic Unit XPS Liability (Excluding Price & Share)	750,000	17b Basic Unit Previous Indemnity(ies) (Sum of 32, previous losses - exclude indemnities applicable to Peak Endorsements)	190,000	17c Effective XPS Liability (17a - 17b or 36 from page 1 > 6units)	560,000
18a Basic Unit Crop Year Deductible (Inventory Value X (1.00 Cov. Level))	750,000	18b Basic Unit Previous Occurrence Deductible(s) (Sum of 29, previous losses - exclude Occur. Deductible(s) applicable to Peak Endorsements)	750,000	18c Effective Crop Year Deductible (CYD) (18a - 18b or 31 from page 1 if > 6 units)	0

**SECTION II - THIS LOSS**

19a Inspection Number 2	20 Reported Basic Unit Value (17a + 18a) 1,500,000	21 Sum of Prev. Losses (Adj. Losses) (17b + 18b) 940,000	22 Basic Unit Field Market Value A (Sum of Item 25 entries) 800,000	23 Under-Reporting Factor (URF) [<(1.000 or ((20 - 21) / 22))] .700			
19b Coverage Level 50 %							
24 Damage similar to other nurseries in the area? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	A. Type Code BE	B. Type Code BS	C. Type Code	D. Type Code	E. Type Code	F. Type Code	G. Summary
25 FMV-A	500,000	300,000					800,000
26 FMV-B	26a. Value remaining-ins. cause 260,000	0					260,000
	26b. Value assessed-unins. cause 0	0					0
	26c. FMV-B (TOTAL) (26a + 26b) 260,000	0					260,000
27 Unadjusted Loss (FMV-A - FMV-B (TOTAL)) (25 - 26c)	240,000	300,000					540,000
28 Adj. Loss (for Under-Reporting; item 27 x item 23)	168,000	210,000					378,000
29 Occurrence Ded. (OD) (FMV-A x (100-level %)) 50 %							0
30 Unadjusted Indemnity (28 - 29)							378,000
31 CYD Remaining (18c - 29)							0
32 Preliminary Indemnity [< (30 or 17c)]							378,000
33 Percent Share							1.000
34 Price Election Percent							.55
35 Indemnity							207,900
36 Effective XPS Liability Remaining (17c - 32)							352,100

37 Narrative (If more space is needed, attach a Special Report) This is a CAT policy. Insured has purchased additional stock after first loss occurrence

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. False claims or false statements made on a matter within the jurisdiction of the Federal Crop Insurance Corporation may subject the maker to criminal and civil penalties under various Federal statutes including the provisions of 18 U.S.C. 1006, 1014; 7 U.S.C. 1506; 31 U.S.C. 3729, 3730, 3801, 3812.

38 Insured's Signature I M INSURED	Date MM/DD/YYYY	39 Adjuster's Signature I M ADJUSTER	Code Number XXXXXX	Date MM/DD/YYYY
40 Witness' Signature	Date	41 Other Signature(s)	Date(s)	42 Page 1 of 1



## 11. REFERENCE MATERIAL

**TABLE A - FCIC CONTAINER SIZES**

Container sizes are determined on an actual volume basis for purposes of determining the size of the container on the EPL/PPS. The FCIC container sizes and volumes are show below.

FCIC SIZE NAME	GALLON MEASUREMENT		CUBIC INCH EQUIVALENT		INCLUDES STANDARD ANSI CLASS
	MINIMUM	MAXIMUM	MINIMUM	MAXIMUM	
POT	0.08	0.19	18	45	SP3
1 QUART	0.20	0.39	46	91	SP4
2 QUART	0.40	0.59	92	137	SP5
1 GALLON	0.60	1.37	138	318	1
2 GALLON	1.38	2.49	319	576	2
3 GALLON	2.50	3.39	577	784	3
5 GALLON	3.40	5.77	785	1,334	5
7 GALLON	5.78	8.49	1,335	1,962	7
10 GALLON	8.50	11.97	1,963	2,766	10
15 GALLON	11.98	17.49	2,767	4,041	15
20 GALLON	17.50	22.49	4,042	5,196	20
25 GALLON	22.50	29.79	5,197	6,883	25
30 GALLON	29.80	32.49	6,884	7,506	N/A
35 GALLON	32.50	37.49	7,507	8,661	N/A
40 GALLON	37.50	42.49	8,662	9,816	N/A
45 GALLON	42.50	47.49	9,817	10,971	N/A
50. GALLON	47.50	52.49	10,972	12,126	N/A
55 GALLON	52.50	57.49	12,127	13,281	N/A
60 GALLON	57.50	62.49	13,282	14,436	N/A
65 GALLON	62.50	67.49	14,437	15,591	N/A
70 GALLON	67.50	72.49	15,592	16,746	N/A
75 GALLON	72.50	77.49	16,747	17,901	N/A
80 GALLON	77.50	82.49	17,902	19,056	N/A
85 GALLON	82.50	87.49	19,057	20,211	N/A
90 GALLON	87.50	92.49	20,212	21,366	N/A
95 GALLON	92.50	97.49	21,367	22,521	N/A
100 GALLON	97.50	124.49	22,522	28,758	N/A
150 GALLON	124.50	174.49	28,759	40,308	N/A
200 GALLON	174.50	224.49	40,309	51,858	N/A
250 GALLON	224.50	274.49	51,859	63,408	N/A
300 GALLON	274.50	324.49	63,409	74,958	N/A

## TABLE B - INSURABLE PLANT SIZE LIMITS

An additional high/wide (seedling) range has been added to two plant types. To qualify for the seedling range the trees must be CE or DT type and the trees must measure a minimum of 6 inches tall but less than 18 inches tall. Seedlings less than 6 inches tall are not insurable, do not round qualifying measurements. The 18 inch trees will be insured according to the individual plant prices.

Lower of the EPL/PPS price or the grower's best wholesale catalog price will be the price for each tree in the seedling range.

Plants that are larger than maximum size listed below are insurable at the price of the largest size listed.

PLANT TYPE CODE	CONTAINER		FIELD GROWN			
	SIZE		CALIPER		HIGH/WIDE	
	MIN	MAX	MIN	MAX	MIN	MAX
AN	POT 0.08	5 Gal & up	N/A	N/A	N/A	N/A
BE	POT 0.08	100 Gal & up	7/16 in.	6 in. & UP	18 in.	30 ft. & up
BS	POT 0.08	100 Gal & up	N/A	N/A	6 in.	12 ft. & up
CE	POT 0.08	65 Gal & up	7/16 in.	6 in. & up	Seedling	20 ft. & up
CS	POT 0.08	65 Gal & up	N/A	N/A	6 in.	12 ft. & up
DS	POT 0.08	65 Gal & up	N/A	N/A	6 in.	12 ft. & up
DT	POT 0.08	100 Gal & up	7/16 in.	6 in. & up	Seedling	20 ft. & up
FN	POT 0.08	65 Gal & up	7/16 in.	4 in. & up	18 in.	10 ft. & up
FO	POT 0.08	65 Gal & up	N/A	N/A	18 in.	25 ft. & up
GC	POT 0.08	10 Gal & up	N/A	N/A	6 in.	5 ft. & up
HP	POT 0.08	25 Gal & up	N/A	N/A	N/A	N/A
PC	POT 0.08	300 Gal & up	N/A	N/A	18 in.	30 ft & up
RO	POT 0.08	5 Gal & up	N/A	N/A	6 in.	5 ft. & up
SF	POT 0.08	10 Gal & up	N/A	N/A	6 in.	5 ft. & up
LI ***	Cell is equal to or greater than 1 inch **	Cell is less than 3 inches in diameter *	NA	NA	NA	NA

\*\*\* To be insurable (container only and inclusive of all insurable plant types) Liner Plants must be produced in standard nursery containers that are equal to or greater than 1 inch (including trays containing 200 or fewer individual cells), and are less than 3 inches in diameter at the widest point and have an established root system reaching the sides of the containers.

\*\* Liner Plants in cells smaller than minimum size listed in the chart are not insurable.

\* Liner Plants in cells larger than maximum size listed in the chart are insurable as shown on the EPL/PPS.