UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation
NURSERY VALUE SELECT PILOT

1. Definitions.

Amount of insurance – Your selected value (SV) multiplied by the coverage level you elect and by your insurable share; and, if you elect Catastrophic Risk Protection (CAT) coverage, by 0.55 (price election). The amount of insurance will be reduced by subtracting the amount included on any claim for indemnity made under these Crop Provisions during the crop year. If you elect additional coverage for a practice and restock after a loss, the amount of insurance may be increased by adding an amount equal to the coverage level multiplied by your declared value of new plants placed in the nursery if a revised Nursery Value Report (NVR) is submitted.

Approved sales value – A dollar amount that we determine in order as follows:

(a) The average weighted wholesale price (net of all discounts) you received for each specific plant within each plant category, not to exceed 1.5 times your catalog price, unless otherwise specified in the Special Provisions, determined for:

(1) The 60-day period immediately preceding the date of the insured cause of loss; or

(2) If no sales occurred in the 60-day period immediately preceding the date of the insured cause of loss, the 12 calendar months immediately preceding the date of the insured cause of loss; or

(b) If no wholesale sales occurred for the specific plant during the 12 calendar months immediately preceding the date of the insured cause of loss, the average contract price (net of all discounts), not to exceed 1.5 times your catalog price, unless otherwise specified in the Special Provisions, for all future wholesale deliveries of the specific plant insured during the insurance period; or

(c) If no wholesale sales occurred for the specific plant during the 12 calendar months immediately preceding the date of the insured cause of loss and there is no contract price for future wholesale deliveries of the specific plant, then your current wholesale catalog price for that specific plant multiplied by the difference between 1.00 and the largest percentage discount (calculated as a percentage if the discount is recorded as a dollar amount), that you provide to any buyer for any quantity of any specific plant.

(1) If your catalog does not contain all applicable discounts, your wholesale catalog price for the specific plant will be decreased by 10 percent; and

(2) Notwithstanding (c), discounts will not be applied to prices for plants grown under license from the holder of a patent issued by the US Patent and Trademark Office provided the license specifically establishes the required sales price.

(3) A discount stated as a dollar value relative to a specific dollar amount or a range of dollar amounts for a purchase will be converted to a percentage rate by dividing the dollar amount of such discount by the dollar amount to which such discount applies.

(d) If a specific plant was not sold in the 12 calendar months immediately preceding the date of the insured cause of loss and no current wholesale catalog price or any unfulfilled contracted sales exist, the approved sales value for that specific plant will be determined by prorating the approved sales values of the nearest size of that specific plant species and variety (if variety is available) using first (a), then (b).

Average weighted wholesale price – Value obtained by summing each quantity of specific plants sold multiplied by its price (excluding all discounts and shipping charges as well as any similar amounts that do not directly relate to the wholesale value of the specific plants) obtained from verifiable sales records for a defined period of time and dividing by the total quantity sold of the same specific plant.

Average contract price – For a specific plant, the sum of the sales for future delivery under a written contract (excluding all discounts and shipping charges, as well as any other similar amounts that do not directly relate to the wholesale value of the specific plant) divided by the total number of that same specific plant.

Basic unit – In addition to the definition in the Basic Provisions, a basic unit consists of all insurable plants within all insured plant categories within each practice that you elect to insure. Further unit division may be allowed as specified in section 2(b).

Catalog – Any document in a format that meets the requirements set forth in section 6(k) issued by your nursery and used to advise actual and/or potential wholesale buyers of the amount you are charging for the purchase of each specific plant that you offer for sale, including all applicable discounts. Such documents may be by season or any other basis consistent with your business practices. If you have plants in an insured plant category in your nursery that are not yet available for sale and are not included in your nursery catalog, you must submit a supplement to the nursery catalog/price list that meets the requirements of section 6(k).

Cold protection methods – Enclosed structures, irrigation sprinklers, heaters, insulating blankets, or any other appropriate item or method that prevents cold air from damaging insured plants.

Container grown – A nursery production practice in which plants are grown in standard nursery containers or in an appropriate medium for production of nursery plants (e.g., in a hydroponic tank); above the ground; placed in the ground; or placed in other standard nursery containers in the ground (i.e., pot-in-pot).

Crop year – A 12-month period identified by the sales closing date in the actuarial documents that begins June 1 and extends until the immediately following May 31 (May 1 sales closing date) or begins October 1 and extends until the immediately following September 30 (September 1 sales closing date), as applicable. The crop year is designated by the calendar year in which it ends.

Crop year deductible – An amount determined by multiplying the deductible percentage by the SV minus the amount of any previously-incurred deductible.

Damage factor – A value, less than or equal to 1.00, that we use to determine the post-loss damage value of undamaged, retained damaged, discarded damaged, and dead/zero market value plants. The damage factors are contained in the Special Provisions.

Damaged plant – A specific plant showing signs of physical injury or deterioration to at least ten percent of its physical structure, as determined by us, unless otherwise specified in the Special Provisions.

Dead/zero market value plant – A plant that, as determined by us:

(a) Is damaged and exhibits no signs of viability;

(b) Is a liner multipack that has been damaged so that one or more of the cells no longer contain a viable plant;

(c) Is any specific plant in the Annual Plants and Plants Grown for One Year or Less Plant Category damaged to the extent it cannot be sold at the approved sales value;

(d) Is damaged to the extent that it has no market value, determined in accordance with FCIC approved procedures; or

(e) Has disappeared due to an insurable cause of loss (e.g., a hurricane, tornado, or flood) and that you can substantiate to our satisfaction was in your inventory at the time of the loss.

Deductible percentage – The amount determined by subtracting your elected coverage level from 100 percent.

Discarded damaged plant – A damaged plant which does not meet the conditions of a dead/zero market value plant and that you elect not to rehabilitate.

Field grown – A nursery production practice in which roots of the plant are grown in the ground or appropriate medium. Plants grown using in-ground fabric grow bags, plants that are balled and burlapped, or plants grown in containers that allow the plants to root into the ground or appropriate medium (for example, a container without a bottom) are also considered field grown.

Good nursery practices – In addition to the definition of "good farming practices" contained in section 1 of the Basic Provisions, the horticultural practices generally used in the area for the insured specific plant to make normal progress toward the stage of growth at which marketing of the specific plant can occur and:

(a) For conventional production practices, generally recognized by agricultural experts as compatible with the nursery production practices and weather conditions in the county; or

(b) For organic production practices, generally recognized by the NOP as compatible with the nursery production practices and weather conditions in the county.

We may, or you may request us to, contact FCIC to determine whether production methods will be considered "good nursery practices."

Harvest – For bare root nursery plants, removal from the growth medium; for all other insured nursery plants, removal from the nursery.

Inventory – A compilation of all specific plants and their quantities for all plant categories, whether insured, uninsured, or uninsurable, contained in your nursery.

Irrigated – In lieu of the definition in the Basic Provisions, the application of water, using appropriate systems and at the proper times, to provide the quantity of water needed to sustain normal growth of your insured specific plants and, if appropriate based on good nursery practices, to provide cold protection for any applicable specific plant.

Liners - Plants produced in standard nursery containers that have a minimum dimension greater than or equal to 5/8 inch and a maximum dimension of less than 3 inches at the widest point of the container or cell interior, have an established root system, and meet all other conditions specified in the Special Provisions.

Maximum value – For each insured plant category, the highest total dollar value for all specific plants you anticipate will be in your nursery for each month during the insurance period.

Monthly unit value plan (MUVP) – Your declaration for each basic unit, by month from the first month to the last month within the insurance period, of the maximum value of all specific plants in each insured plant category that you expect to be in your nursery during each month of the insurance period. This declaration must be on our form and is made as part of the NVR.

NOP – The National Organic Program administered by the Agricultural Marketing Service, USDA.

Nursery – A business enterprise that grows nursery plants and derives at least 40 percent of its gross income from the wholesale marketing of such plants.

Nursery Value Report (NVR) – Your declaration on our form of the insurance choices you elect in accordance with section 6.

Occurrence deductible – The dollar amount of an insured loss you must incur before an indemnity becomes payable (see section 12).

Occurrence Loss Option (OLO) - An option that you may elect that eliminates the unit deductible in accordance with section 15.

Plant category – A grouping of plants as identified below and defined in the Special Provisions:

(a) Liners

(b) Annual Plants and Plants Grown for One Year or Less

(c) Herbaceous Biennial and Perennial Plants

(d) Foliage

(e) Vines

(f) Broadleaf Evergreen Trees and Shrubs

(g) Coniferous Trees and Shrubs

(h) Deciduous Trees and Shrubs

(i) Palms

(j) Cycads

(k) Other groupings of plants as identified in the actuarial documents.

Post-loss damage value – The total dollar value of all insurable specific plants lost in a basic unit due to an insured cause of loss as determined in section 12 using FCIC approved procedures, and the damage factors contained in the Special Provisions.

Practice –The cultural methods required for specific plants that meet either the definition of container grown or field grown, or any other method specified in the actuarial documents.

Pre-loss actual unit value – The total dollar value of all insurable specific plants in a basic unit, immediately prior to the occurrence of the loss event, determined for each specific plant by multiplying the approved sales value by the number of each specific plant and summing the results for that basic unit.

Rehabilitate – The cultural practices required to mend or restore a damaged plant to a condition in which it will be ready to market.

Restock – Replacement of lost or damaged plants that increases the SV of the insurable inventory to an amount not greater than the amount that existed prior to the date damage occurred.

Retained damaged plant – A damaged plant that does not meet the conditions of a dead/zero market value plant and that you elect to rehabilitate.

Sales closing date – In addition to the definition in the Basic Provisions, the date shown in the actuarial documents by which an application or any changes to coverage must be submitted to us. All applications and changes to coverage are subject to the terms of sections 3, 6 and 9 of these Crop Provisions.

Selected value (SV) – The value you declare on your NVR of the insurable specific plants in each insured plant category in the basic unit. You may be required at any time we perform an inspection, or at any time upon our request, to provide documentation supporting the maximum values reported.

(a) For additional coverage:
   (1) The SV may not exceed the highest maximum value for the same plant category reported on your MUVP;
   (2) If you do not elect to create additional basic units by plant category as authorized by section 2(b)(1) of these Crop Provisions, your SV for the purpose of establishing the amount of insurance is the sum of the SVs you established for each plant category.

(b) For CAT coverage, your SV for each insured practice cannot exceed the lesser of:
   (1) 110 percent of the maximum value for all plant categories in any given month during any of the preceding three crop years; or
   (2) The maximum of the monthly values reported on the MUVP.

Specific plant – A plant identified by the complete botanical or common name as listed in your catalog, including the size of the plant, or as otherwise defined in the Special Provisions.

Standard nursery containers – For the container grown practice:

(a) Semi-rigid containers that are plug trays, sheet pots, tray packs, and bedding packs whose cells are greater than or equal to than 5/8-inch across at the widest point of the cell interior;
(b) Separate rigid containers that have a minimum width greater than or equal to 5/8 inch at the widest point of the container interior;
(c) Above-ground fabric grow bags that are appropriate in size and provide adequate drainage for the specific plant; and
(d) Any other type of container specified in the Special Provisions.

Standard nursery containers do not include trays (flats) without individual cells.

Stock plants – Specific plants used solely for propagation during the insurance period, that you do not sell and do not include in your catalog.

Undamaged plant – A specific plant that is not a dead/zero market value plant and which shows injury or deterioration to less than ten percent of its physical structure as determined by us, unless otherwise specified in the actuarial documents.

Verifiable sales records – Records that show the sales of specific plants to disinterested third party purchasers during a period specified in these Crop Provisions containing:

(a) The name and address of the purchaser;
(b) The date of sale; and
(c) The complete botanical or common name of the specific plant(s) sold, number of each specific plant(s) sold, and the actual wholesale price (excluding all discounts and shipping charges as well as any other similar amounts that do not directly relate to the wholesale value of the specific plants) received for each specific plant.

Wholesale – The sale of plants to retailers for resale and not directly to the end-user, except to end-users including but not limited to landscape contractors, government entities or organizations, and commercial fruit producers.

2. Unit Division.

(a) Section 34 of the Basic Provisions is not applicable.
(b) If you elect additional coverage, a basic unit may be divided into additional basic units by using one of the following methods. You may choose only one method for all your basic units.
   (1) Each plant category you choose to insure within an insured practice as a separate basic unit; or
   (2) Non-contiguous land for the field grown practice and, if allowed by the Special Provisions, for the container grown practice. You may choose to insure one or more plant categories under this additional basic unit structure.

3. Insurance Guarantees, Coverage Levels, and Prices for Determining Indemnities.

(a) The production reporting requirements contained in section 3(f) of the Basic Provisions are not applicable.
(b) In addition to the terms of section 3(b)(2)(i) of the Basic Provisions:
   (1) You may elect either CAT or additional coverage for an insured practice. You will owe

an administrative fee established in accordance with section 7(e) of the Basic Provisions for each insured practice for CAT coverage and for each insured plant category under each insured practice for additional coverage;
    (2) If you elect additional coverage for an insured practice and you further elect basic units by plant category, you may select a different level of coverage for each plant category; and
    (3) For the purpose of establishing the pre-loss actual unit value and the post-loss damage value, you are deemed to have selected 100 percent of the approved sales value for each specific plant.
- (c) Section 3(e) of the Basic Provisions is amended as follows:
    (1) Section 3(e)(1) is not applicable.
    (2) In addition to section 3(e)(2), if you request an increase in the coverage level or an increase in the SV for the crop year following the currently insured crop year, we may reject such request at any time we discover that damage occurred before insurance was scheduled to attach.
    (3) In lieu of section 3(e)(3), your amount of insurance will be as defined in these Crop Provisions.
    (4) In addition to section 3(e)(4), if you submit a new NVR by the applicable sales closing date, but we notify you in writing the NVR or documentation is unacceptable, you must provide an acceptable NVR or documentation within 30 days after the date of notice of such rejection. If you submit a new NVR which is acceptable, insurance will attach on the 31st day after we receive all documents required for an acceptable NVR. If the new NVR is still not acceptable to us, insurance will not attach for the crop year.

4. Contract Changes.

In accordance with section 4 of the Basic Provisions, the contract change date is:

- (a) January 31 immediately preceding the crop year for counties with a May 1 sales closing date; and
- (b) April 30 immediately preceding the crop year for counties with a September 1 sales closing date.

5. Cancellation and Termination Dates.

In accordance with section 2 of the Basic Provisions, the cancellation and termination dates are May 31 for states with a May 1 sales closing date, and September 30 for states with a September 1 sales closing date.

6. Nursery Value Report.

- (a) Section 6 of the Basic Provisions is not applicable.
- (b) An NVR that includes the following documentation must be submitted to us on or before the sales closing date, except as provided in section 6(e), for each insured practice and basic unit:
    (1) Your SV consistent with these Crop Provisions, for each insured plant category.
    (2) Your elected coverage level and your share;
    (3) Two printed copies or one electronic copy of your most recent catalog; and
    (4) The MUVP.
- (c) In subsequent crop years, in lieu of section 6(b)(4), you may certify on the NVR there is no material change in the information reported on the MUVP.
- (d) You will be notified in writing on or before the end of the 30-day waiting period if your application for insurance is rejected because our inspection determines your nursery does not meet insurability requirements, or the NVR or any other supporting documentation (if requested by us) is not acceptable to us.
- (e) For the year of application, if you fail to provide the NVR required by subparagraph (b) on or before the applicable sales closing date, insurance will not attach until the 31st day after we have received all NVR documents, unless we reject your application in accordance with section 6(d). We will not be liable for any damage or loss that occurs before insurance has attached. After insurance attaches, we will provide coverage through the end of the insurance period. Your premium will be adjusted according to the proration factor contained in the actuarial documents for the month insurance attached.
- (f) Your NVR, including any revised NVR, will be used to determine your premium and amount of insurance.
- (g) You must provide all the documentation required by these Crop Provisions by the applicable sales closing date if you wish to increase your coverage level or SV for the next crop year.
- (h) At our discretion, we may perform an inspection of the nursery at any time to determine good nursery practices are followed, and that adequate, acceptable facilities exist to accommodate the inventory.
- (i) You may increase your SV for each basic unit no more than twice during the crop year by submitting a revised NVR, except as provided in section 6(i)(6).
    (1) Any requested increase must be made in writing and meet all the requirements for an NVR described in section 6(b).
    (2) We will perform an inspection of the nursery to determine good nursery practices are followed, and that adequate, acceptable facilities exist to accommodate the requested increase in the SV when the total of all SVs reported on the revised NVR is increased 50 percent or more from the previous total of all SVs on the original NVR, and the increase is not due to restocking subsequent to an insured loss.
    (3) Your revised NVR will be accepted by us and insurance will attach on any requested increase in SV 31 days after your written request is received, unless we reject the proposed increase in your SV in writing.
    (4) We will reject any requested increase in the SV if any damage occurs within 30 days of the date you make such request (Rejection can occur at any time we discover such damage has occurred.).
    (5) You cannot revise your NVR to decrease the SV after insurance attaches.

(6) You may increase your SV one additional time if you have suffered an insured cause of loss on a unit and have restocked the nursery. You must submit a revised NVR in writing that meets all the requirements for an NVR described in section 6(b). Insurance will attach on the increased SV 31 days after your written request is received, unless we reject the requested increase in your SV in writing.

(j) Specific plants we determine were damaged plants prior to the attachment of insurance coverage are not insurable unless such plants have been rehabilitated and are offered for sale at the approved sales value for the specific plant.

(1) If we do not accept the damaged plants, the value of such plants will be subtracted from the appropriate values in the MUVP and, as necessary, your SV reported on the NVR, will be adjusted for each basic unit.

(2) If you have previously made a claim and the loss adjuster is unable to determine whether a specific plant was damaged prior to submission of your NVR for the current crop year, the specific plant will be uninsurable.

(3) You must maintain the identity of the uninsurable damaged plants using a method approved by us.

(4) All specific plants damaged prior to the attachment of insurance coverage, including those that have been rehabilitated and are offered for sale at the approved sales value, must be reported on the NVR.

(k) Your catalog must meet the following minimum standards:

(1) Be typewritten or printed and legible;

(2) Show an issue date on the cover page (may be handwritten);

(3) Contain the complete name, address, and phone number of your nursery;

(4) Be provided to customers and used in the sale of your plants or, for the purposes of a supplement, be intended for use in the sale of your plants once they are available for sale; and

(5) List each insurable specific plant name (botanical or common), plant or container size, and wholesale price.

7. Premium.

(a) In lieu of section 7(c) of the Basic Provisions, we will determine your premium by multiplying the amount of insurance by the appropriate premium rate, and the proration factor contained in the actuarial documents.

(b) In addition to section 7 of the Basic Provisions, we will prorate your premium based on:

(1) For the year of application, the time remaining in the crop year if you submit the documentation required by section 6(b) after the applicable sales closing date.

(2) For a revised NVR submitted by you and accepted by us, the time remaining in the crop year after insurance attaches on the revised NVR.

(c) You will owe premium for an entire month for any calendar month or portion thereof during which coverage is provided under these Crop Provisions.

(d) In lieu of section 7(a) of the Basic Provisions:

(1) If you apply for insurance before the premium billing date listed in the actuarial documents, the premium is earned and payable when coverage attaches. You will be billed for the premium and administrative fee no earlier than the premium billing date listed in the actuarial documents.

(2) If you apply for insurance or submit your NVR or any other required documents contained in section 6 on or after the premium billing date listed in the actuarial documents, the premium for the remainder of the crop year will be due and must be paid at the time of application or submission of your NVR. Failure to pay the premium at the time of application or when you submit your NVR will result in no insurance and no indemnity for the crop year.

8. Insured Crop and Plants.

In lieu of sections 8 and 9 of the Basic Provisions, the insured crop will be all specific plants within each insured practice for CAT level of coverage, and each plant category you choose to insure within each insured practice for additional level of coverage and that:

(a) You have an insurable share;

(b) Are specific plants determined by us to be acceptable;

(c) Are grown in a county for which a premium rate is provided in the actuarial documents;

(d) Are grown in a nursery determined by us to be acceptable;

(e) Are irrigated unless otherwise provided by the Special Provisions (you must have adequate irrigation equipment and water to irrigate all insurable nursery plants at the time coverage attaches and throughout the insurance period);

(f) Are grown in accordance with the production and good nursery practices for which premium rates have been established;

(g) Are grown in an appropriate medium;

(h) Are grown and sold with the root system attached;

(i) Are not grown solely as stock plants or plants being grown solely for harvest of buds, flowers, or greenery;

(j) May produce edible fruits or nuts provided the plants are available for sale (harvest of the edible fruit or nuts does not affect insurability);

(k) For the field grown practice, must be adapted in the hardiness zone recognized by the USDA Plant Hardiness Zone Map in which they are grown;

(l) For the container grown practice, are individual plants grown in standard nursery containers unless otherwise permitted by the Special Provisions;

(m) Were not damaged in a prior crop year unless such specific plants have been rehabilitated and are offered for sale at the approved sales value for the current crop year prior to insurance attaching, as accepted by us;

(n) Are not any plant classified by a state or county as illegal to grow or sell in the county in which the nursery is located. For example, growing or selling plants classified as invasive species is illegal in many states and counties. No indemnity will be paid on any such plant; and

(o) Are not produced in nursery containers that include two or more different genera, species, subspecies, varieties or cultivars, unless otherwise provided in the Special Provisions.

9. Insurance Period.

(a) In lieu of section 11 of the Basic Provisions:

(1) For the year of application, if you provide the NVR required in section 6:

(i) On or before the sales closing date, insurance attaches June 1 or October 1, as applicable, unless we notify you in writing that your application is rejected because the documentation you provided is not accepted by us;

(ii) After the sales closing date, insurance attaches on the 31st day after we receive all documents required in section 6, unless we notify you in writing that your application is rejected because the documentation you provided is not accepted by us; and

(2) For each subsequent crop year, insurance will attach on June 1 or October 1, as applicable:

(i) At the same coverage level and SV as the previous crop year if you provide the certification identified in section 6(c); or

(ii) At the coverage level and SV chosen for that crop year.

(b) Insurance ends on a basic unit, or portion thereof, at the earliest of:

(1) The date of final adjustment of a loss when the total of all indemnities equals the amount of insurance;

(2) Harvest;

(3) End of day on May 31 or September 30, as applicable;

(4) Abandonment or destruction of the crop in the unit; or

(5) For specific plants, when determined to be discarded damaged or dead/zero market value plant.

10. Causes of Loss.

(a) In accordance with section 12 of the Basic Provisions, insurance is provided for unavoidable damage caused only by the following causes of loss that occur within the insurance period:

(1) Adverse weather conditions, except as specified in section 10(c) or the Special Provisions;

(2) Fire, provided weeds and undergrowth near the insured plants or the buildings in which the insured plants are grown are controlled by chemical or mechanical means;

(3) Wildlife;

(4) Earthquake; or

(5) Volcanic eruption.

(b) Insurance is also provided against the following if due to a cause of loss specified in section 10(a) that occurs within the insurance period:

(1) A loss in insured plant value because such insured plants are dead/zero market value plants (e.g., poinsettias that cannot be sold during the usual and recognized marketing period of November 1 through December 25);

(2) Failure of the irrigation water supply; or

(3) Failure of, or reduction in, the power supply.

(c) In addition to the causes of loss excluded in sections 12(a) and (c) through (f) of the Basic Provisions, we do not insure:

(1) Damage to specific plants due to disease or insect infestation, unless:

(i) A disease or insect infestation occurs for which no effective, appropriate control measure exists; or

(ii) Coverage is provided by the Special Provisions;

(2) The inability to market the specific plants resulting solely from:

(i) The refusal of a buyer to accept such plants;

(ii) Boycott; or

(iii) An order from a public official prohibiting sale including, but not limited to, a stop sale order, quarantine, or phytosanitary restriction on sales;

(3) Damage to specific plants due to cold temperatures, if cold protection is required in the Special Provisions for the plant category, unless you have installed cold protection equipment or facilities, and:

(i) Failure or breakdown of the cold protection equipment or facilities resulting from an insurable cause of loss provided you establish that repair or replacement was not possible between the time of failure or breakdown and the time the damaging temperatures occurred; or

(ii) The lowest temperature or its duration exceeded the ability of the cold protection equipment or facilities to keep the specific plants from sustaining cold damage;

(4) Damage to specific plants due to collapse or failure of buildings or structures that house or contain the specific plants, unless the damage to the buildings or structures results from a cause of loss specified in section 10(a);

(5) Any cause of loss if the only damage suffered is a failure of specific plants to grow to an expected size; or

(6) Damage to specific plants due to failure to follow recognized good nursery practices.

11. Duties in the Event of Damage or Loss.

(a) In addition to your duties contained in section 14 of the Basic Provisions,

(1) You must obtain our written consent for each basic unit prior to:

(i) Destroying, selling or otherwise disposing of any damaged plants; or

(ii) Changing or discontinuing your normal and customary good nursery practices related to the care and maintenance of the specific plants.

(2) You must submit a claim for indemnity to us on our form no later than 60 days after the date of your loss for each applicable basic unit, but in

no event later than 60 days after the end of the insurance period. We will waive this requirement if the final adjustment of your claim is totally or partially deferred because we are unable to make an accurate determination of the amount of damage to the specific plants. If we notify you that we are unable to make an accurate determination of damage on all or some of your specific plants:

(i) For those specific plants in the basic unit on which the loss adjustment and claim have not been deferred, you must submit a claim for such specific plants in accordance with this section and we will settle your claim on such specific plants;

(ii) For those specific plants in the basic unit on which the loss adjustment and claim have been deferred, we will determine the post-loss damage value 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

(iii) You must maintain the identity of the insured damaged plants using a method approved by us throughout the entire deferral period. Failure to maintain the identity will result in the damaged plants being uninsurable for the remainder of the crop year.

(3) For each specific plant, you must determine whether it will be a retained damaged plant or a discarded damaged plant.

(b) If you fail to obtain our written consent as required by section 11(a)(1), your claim will be denied on each basic unit for which written consent was not obtained.

(c) If you fail to meet the above requirements and such failure results in our inability to inspect the damaged or dead/zero market value plants, any damage to such insured plants will be considered uninsurable, and the claim will be denied.

(d) Prior to our determination of the amount of any loss, you must provide acceptable documentation to us that supports your NVR and inventory immediately prior to the loss occurrence.

(1) Required documentation includes, but is not limited to, the following:

(i) A detailed listing that includes the full name of each specific plant;

(ii) Acceptable, verifiable sales records for any specific plants that were sold the previous 60 days or 12 months, as applicable, that support the determination of an approved sales value for each specific plant as described in section 1; and

(iii) Documentation or demonstrated performance of your ability to properly obtain specific plants and carry out good nursery practices related to the maintenance of the specific plants.

(2) If you fail to provide the required documentation you will still owe premium based upon your SV, but you will not receive an indemnity for any specific plant for which you did not provide such documentation.

(e) You must maintain an inventory. If requested, you must provide:

(1) Your most recent inventory; and

(2) Purchase and verifiable sales records from the date of your most recent inventory to the date of loss occurrence;

(f) You must provide any information that we request to verify you have followed good nursery practices.

(g) Prior to receiving an indemnity, we must verify that you destroyed or disposed of the discarded damaged and dead/zero market value plants by a method approved by us. We will determine the number of each specific plant destroyed or disposed of as described in section 12(b).

(h) You must maintain the identity of the retained damaged plants using a method approved by us. Failure to maintain the identity will result in the damaged plants being uninsurable for the remainder of the crop year.

(i) If identity is maintained, retained damaged plants will remain insurable for the remainder of the crop year:

(1) If a subsequent loss occurs within the crop year and the retained damaged plant is determined to be a dead/zero market value plant, the damage factor applied to the post-loss damage value is the retained damaged plant damage factor contained in the Special Provisions. The plant must be destroyed in accordance with section 11(g).

(2) If a subsequent loss occurs within the crop year and the retained damaged plant is not determined to be a dead/zero market value plant, the damage factor applied to the post-loss damage value is the undamaged plant damage factor contained in the Special Provisions.

(3) For a subsequent crop year, if approved by us, retained damaged plants may be insurable if they have been rehabilitated and are offered for sale at the approved sales value for the specific plants in your catalog prior to the start of the crop year.

12. Settlement of Claim.

(a) We will determine an indemnity for each basic unit as follows:

(1) Determine the pre-loss actual unit value;

(2) Determine the post-loss damage value;

(3) Determine the percent of loss by dividing the result of 12(a)(2) by the result of 12(a)(1);

(4) Determine the amount of loss by multiplying the result of 12(a)(3) by the lesser of the:

(i) Pre-loss actual unit value; or

(ii) SV minus the total amount of any previous loss for the basic unit.

(5) Determine the occurrence deductible by calculating the lesser of:

(i) The deductible percentage multiplied by the pre-loss actual unit value; or

(ii) The crop year deductible.

(6) If the result of 12(a)(4) is greater than the result of 12(a)(5), subtract 12(a)(5) from 12(a)(4); otherwise, no indemnity is due;
(7) If the result of section 12(a)(6) is greater than zero:
(i) For additional coverage, your indemnity equals the result of section 12(a)(6), multiplied by your share, but not to exceed any remaining amount of insurance, if applicable.
(ii) For CAT, your indemnity equals the result of section 12(a)(6) multiplied by 55 percent and by your share, but not to exceed any remaining amount of insurance, if applicable.

(b) The post-loss damage value will be determined as follows:
(1) We will take one or more representative samples, in accordance with FCIC approved procedures, for each specific plant;
(2) We will determine the number of undamaged, damaged, and dead/zero market value plants within each sample;
(3) For damaged plants, you must group specific plants into:
(i) Retained damaged plants; or
(ii) Discarded damaged plants;
(4) For each damaged plant group established in section 12(b)(3), multiply the damage factor by the approved sales price and by the number of specific plants included in the damaged plant group;
(5) Sum the results from section 12(b)(4) for each sample;
(6) Sum the results of section 12(b)(5) for all samples;
(7) Divide the result of section 12(b)(6) by the total number of the specific plant included in all samples;
(8) Multiply the result of section 12(b)(7) by the total number of the specific plant included in the basic unit; and
(9) Sum the results from section 12(b)(8) for all specific plants in the basic unit.

13. Late and Prevented Planting.
The late and prevented planting provisions in the Basic Provisions are not applicable.

14. Written Agreements.
The written agreement provisions in the Basic Provisions are not applicable.

15. Occurrence Loss Option (OLO).
(a) The provisions of this option are continuous, if:
(1) A premium rate is published for the option in the actuarial documents;
(2) You have not elected coverage under the Catastrophic Risk Protection Endorsement.
(3) You elect the OLO:
(i) For new insureds, at the time of application for the first year you obtain coverage; or
(ii) On or before the sales closing date for any subsequent crop year; and
(4) You pay the additional premium indicated in the actuarial documents for this optional coverage.

(b) All basic units within the insured practice(s) will be insured under this option.
(c) Either you or we may cancel this option for any subsequent crop year by giving written notice on or before the cancellation date preceding the crop year for which the cancellation of this option is to be effective.
(d) In lieu of section 12(a), if specific plants within a basic unit are damaged by an insured cause of loss, we will settle your claim under this option as follows:
(1) Determine the pre-loss actual unit value;
(2) Determine the post-loss damage value;
(3) Determine the percent of loss by dividing the result of section 15(d)(2) by the result of section 15(d)(1). If the resulting percent of loss is:
(i) Equal to or greater than ten percent, unless otherwise provided in the Special Provisions:
(A) Multiply the percent of loss by the coverage level; and
(B) Multiply the result of 15(d)(3)(i)(A) by the lesser of the:
(i) Pre-loss actual unit value; or
(ii) SV minus any previous loss for the basic unit; and
(C) Multiply the result from section 15(d)(3)(i)(B) by your share.
(ii) Less than ten percent, unless otherwise specified in the Special Provisions, no indemnity is due.
(4) Total indemnities for the crop year cannot exceed the amount of insurance.

16. Examples.
Single Unit Example without OLO: Pre-Loss Actual Unit Value Exceeds SV
Assume you have a 100 percent share and your SV based on your MUVP is $500,000. Your coverage level is 75 percent. Your amount of insurance is $375,000 (($500,000 x 0.7500) x 1.0000 percent). You have not had any previous indemnity on the basic unit during the crop year. At the time of loss, we determine that your pre-loss actual unit value is $600,000. At the time of loss, we determine that 30,000 specific plants with an approved sales price of $20.00 each are in the basic unit. There are no other specific plants in the basic unit. Our samples determine the average value lost per specific plant is $7.29, resulting in a post-loss damage value of $218,700.
We determine there is no damage due to uninsured causes of loss. Your indemnity is calculated as follows:
(a) Determine the pre-loss actual unit value:
$600,000;
(b) Determine the post-loss damage value:
$218,700;
(c) Determine the percent of loss [(b)/(a)]:
$218,700/$600,000 = 36.45 percent;
(d) Determine the amount of loss:
(lesser of the pre-loss actual unit value (a) or (the SV – any previous indemnity)) x percent of loss (c)
min($600,000, ($500,000 – $0)) x 0.3645 = $182,250;

(e) Determine the occurrence deductible:
lesser of (deductible percentage x pre-loss actual unit value or the crop year deductible):
min(.25 x $600,000, (.25 x $500,000 – $0)) = $125,000;

(f) Subtract the occurrence deductible (e) from the result of (d);
$182,250 – $125,000 = $57,250.

(g) For additional coverage, your indemnity equals the result of (f) multiplied by your share.
$57,250 x 1.0000 share = $57,250.

(h) For CAT coverage, the coverage level is 50 percent and the price election is 55 percent. In this scenario, the SV is greater than the actual unit value, so the occurrence deductible would be $250,000, which is greater than the amount of loss. Consequently, no indemnity would be due. If the occurrence deductible had been less than the amount of loss, the remainder from (f) would be multiplied by the price election (0.5500) and the share to determine the indemnity.

Single Unit Example without OLO: SV Exceeds Pre-Loss Actual Unit Value

Assume you have a 100 percent share and your SV based on your MUVP is $600,000. Your coverage level is 75 percent. Your amount of insurance is $450,000 (($600,000 x 0.7500) x 1.0000 percent). You have not had any previous indemnity on the basic unit during the crop year. At the time of loss, we determine that your pre-loss actual unit value is $500,000. The post-loss damage value is the same as shown in the previous example 1, which is $218,700. We determine there is no damage due to uninsured causes of loss. Your indemnity is calculated as follows:

(a) Determine the pre-loss actual unit value:
$500,000;

(b) Determine the post-loss damage value:
$218,700;

(c) Determine the percent of loss [(b)/(a)]:
$218,700/$500,000 = 43.74 percent;

(d) Determine the amount of loss
(lesser of the pre-loss actual unit value (a) or (the SV – any previous indemnities paid)) x percent of loss (c)):
min($500,000, ($600,000 – $0)) x 0.4374 = $218,700

(e) Determine the occurrence deductible: lesser of (deductible percentage x pre-loss actual unit value or the crop year deductible):
min(.25 x $500,000, (.25 x $600,000 - $0)) = $125,000;

(f) Subtract the occurrence deductible (e) from the result of (d);
$218,700 – $125,000 = $93,700.

(g) For additional coverage, your indemnity equals the result of (f) multiplied by your share.
$93,700 x 1.0000 share = $93,700.

Single Unit Loss Example with OLO

Assume you have a 100 percent share and your SV based on your MUVP is $600,000. Your coverage level is 75 percent. Your amount of insurance is $450,000. At the time of loss, we determine that your pre-loss actual unit value is $500,000. The post-loss damage value of the retained, discarded, and dead/zero market value plants is determined to be $218,700. There is no damage due to uninsured causes. Your indemnity is calculated as follows:

(a) Determine the pre-loss actual unit value:
$500,000;

(b) Determine the post-loss damage value:
$218,700;

(c) Determine percent of loss:
$218,700/$500,000 = 43.74 percent
This is greater than 10 percent so an indemnity is payable;

(d) Percent of loss (c) multiplied by the coverage level percentage = 0.4374 x 0.7500 = 0.3281;

(e) Multiply result of (d) by the lesser of the pre-loss actual unit value or the SV minus any previous loss:
0.3281 x min($500,000, ($600,000 – $0)) = $164,050.

(f) $164,050 multiplied by the share (1.0000) is $164,050.

(g) $164,050 is less than the amount of insurance ($450,000) so the full amount of $164,050 is the payable indemnity.