

# Nursery Commodity Insurance

## Crop Insured

Nursery crop insurance is available in all counties for which a premium rate is provided in the actuarial documents to all persons operating nurseries that meet certain criteria. Insurance coverage applies, by practice (field-grown or container), to all of your nursery plants in a county and:

- For which you have a share;
- Are on the EPLPPS;
- Are grown in a nursery that receives at least 40 percent of its gross income from the wholesale marketing of nursery plants;
- Meet all the requirements for insurability;
- Are grown in an appropriate medium; and
- Are grown and sold with the root system attached.

Nursery plants may not be insured if they:

- Are grown in containers containing two or more different genera, species, subspecies, varieties, or cultivars;
- Are grown as stock plants; or
- Are grown solely for harvest of buds, flowers, or greenery.

Plants producing edible fruits and nuts can be insured if the plants are available for sale. Harvesting the edible fruit or nuts does not affect insurability.

Your nursery must be inspected and approved as acceptable before insurance coverage can begin.

## Causes of Loss

You are protected against the following:

- Adverse weather conditions, including wind, hurricane and freeze. If cold protection is required by the EPLPPS, adequate and operational cold protection measures must be in place;
- Failure of irrigation water supply, if due to an insurable cause of loss, such as drought;
- Fire, provided weeds and undergrowth are controlled; and
- Wildlife.

Plant damage or losses in value as a result of the following situations are not covered:

- Collapse or failure of buildings/structures, unless caused by an insurable cause of loss;
- Disease or insect infestation, unless effective control measures for the infestation do not exist;
- Failure of plants to grow to an expected size;
- Inadequate power supply, unless such inadequacy is a result of an insurable cause of loss; and
- Inability to market nursery products due to a stop sales order, quarantine, boycott, phytosanitary restriction on sales, or buyer refusal.

## Important Dates

Sales Closing/Cancellation ..... May 1  
Contract Change Date ..... January 31  
Insurance Period Begins ..... June 1

## Coverage Levels and Premium Subsidies

Coverage levels range from 50 to 75 percent of your plant inventory value. Crop insurance premiums are subsidized as shown in the following table.

Item	Percent					
	50	55	60	65	70	75
<b>Coverage Level</b>	50	55	60	65	70	75
<b>Premium Subsidy</b>	67	64	64	59	59	55
<b>Your Premium Share</b>	33	36	36	41	41	45

For example, if you selected the 75 percent coverage level, your premium share would be 45 percent of the base premium. The catastrophic coverage level is fixed at 27.5 percent of your plant inventory value. The only cost for the catastrophic coverage level is an administrative fee of \$655.

# Definitions

**Amount of Insurance** - For the purposes of calculating premium, the result of multiplying the basic unit value by your selected coverage level and by your share. For the purpose of determining the amount of any indemnity, the result of multiplying the basic unit value by your selected coverage level and by your share minus any previous indemnities during the crop year paid under the Nursery Crop Provisions.

**Amount of Insurance Example**

\$100,000 Plant inventory value  
x 0.65 Chosen coverage level percentage  
x 1.00 Producer share  
\$65,000 Unit amount of insurance

**Container-Grown Plants** - A nursery production practice in which plants are grown in standard nursery containers: above the ground; placed in the ground; or when placed in another standard nursery container in the ground (pot-in-pot).

**Crop Inventory Valuation Report** - A plant inventory list created in the Nursery Inventory Software for assisting in establishing the insurable nursery plant inventory value. The Nursery Inventory Software is available at [Nursery-Inventory-Software-EPLPPS](#).

**Eligible Plant List and Plant Price Schedule (EPLPPS)** - A component of the actuarial documents that contains the following:

- 1) The botanical and common names of insurable plants;
- 2) The cold protection requirements for container grown material and areas in which they apply;
- 3) The hardiness zone in which field grown material is insurable;
- 4) The designated hardiness zones available for each county;
- 5) The plant type, storage key, and hardiness zone classification for each plant on the list; and
- 6) A schedule of insurable plant prices that establishes the highest value accepted for insurance purposes, unless otherwise allowed by the policy or an endorsement to the policy. You may receive a list by sending a request to [rma.kc.nursery@rma.usda.gov](mailto:rma.kc.nursery@rma.usda.gov) or from your crop insurance agent.

**Field-Grown Plants** - A nursery production practice in which plants are grown in the ground.

**Liners** - Plants produced in standard nursery containers that have a minimum dimension greater than or equal to 5/8 inch in 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.

**Nursery** - A business enterprise that grows nursery plants. At least 40 percent of its gross income derived from plant sales must be from wholesale marketing of such plants.

**Stock Plants** - Plants used only for propagation during the insurance period or plants grown only for harvest of buds, flowers, or greenery. Stock plants cannot be insured.

# Duties in the Event of Damage or Loss

Notify your agent within 72 hours (3 days) of your initial discovery of damage and submit a claim for indemnity no later than 60 days after the end of the insurance period.

# Plant Inventory Value Report (PIVR)

The PIVR is used to declare the value of your insurable plants. A PIVR for each insured practice is required. Two copies of your most recent wholesale catalog or price list must accompany your PIVR unless the catalogs or price lists are submitted electronically. If catalogs are submitted electronically they must be in PDF format and suitable for printing. Wholesale catalogs must:

- Be typewritten and legible;
- Show an issue date on the cover page (may be handwritten);
- Contain name, address, and telephone number of nursery;
- Be provided to customers and used in the sale of your plants; and
- List each plant name, plant or container sizes, and wholesale price.

Your PIVR must also be accompanied by a crop inventory valuation report or physical plant inventory and price documentation.

# Peak Inventory Endorsement

For increased coverage during certain peak periods when your inventory value may be significantly higher than your annual plant inventory value, you may consider the additional insurance coverage provided by a Peak Inventory Endorsement (not available with the catastrophic coverage level). Contact your crop insurance agent for more details.

# Rehabilitation Endorsement

This endorsement is an addition to the basic policy and provides reimbursement for your expenditures on labor and material for pruning and setup (righting, propping, and staking) of field-grown plants that are damaged by an insured cause of loss and have a reasonable expectation of recovery. The Rehabilitation Endorsement is not available with the catastrophic coverage level. Contact your crop insurance agent for more details.

# Pilot Nursery Growers Price Endorsement

The Pilot Nursery Grower's Price Endorsement, available in 19 states, is an addition to the basic policy that insures specific plants at prices higher than those shown on the EPLPPS. You must buy this at the time you apply for coverage or, on or before the sales closing date. Contact your crop insurance agent for more details.

# Loss Example

\$100,000	Plant Inventory Value
0.65	Coverage level percentage
\$65,000	Unit amount of insurance
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\$100,000	Field market value before loss
- \$50,000	Field market value after loss
\$50,000	Value of Loss
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- \$35,000	Deductible
\$15,000	Indemnity


The deductible shown above is  $(1 - \text{coverage level}) \times \text{inventory} = (1 - 0.65) \times \$100,000 = \$35,000$



# Where to Buy Crop Insurance

All multi-peril crop insurance, including CAT policies, are available from private crop insurance agents. A list of crop insurance agents is available at all USDA service centers and on the RMA website at [Agent Locator](#).

## National Office

 USDA/RMA/Stop 0801/Room 2004-South  
1400 Independence Ave. SW  
Washington, DC 20250

 Email: [FPAC.BC.Press@usda.gov](mailto:FPAC.BC.Press@usda.gov)

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*This fact sheet gives only a general overview of the crop insurance program and is not a complete policy. For further information and an evaluation of your risk management needs, contact a crop insurance agent*

*USDA is an equal opportunity provider, employer and lender. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, Office of Adjudication, 1400 Independence Ave., SW, Washington, DC 20250-9410 or call (866) 632-9992 (toll-free customer service), (800) 877-8339 (local or federal relay), (866) 377-8642 (relay voice users).*