



Risk Management Agency

Nursery Value Select

Fact Sheet
February 2020

General Information

Nursery Value Select (NVS) is a pilot program that allows nursery producers to select the dollar amount of coverage that best fits their risk management needs. NVS, which is an asset-based form of insurance, covers similar causes of loss as the existing nursery program.

Availability

NVS is available in select counties in Alabama, Colorado, Florida, Michigan, New Jersey, Oregon, Tennessee, Texas, and Washington.

Crop Insured

NVS is available in all counties where a premium rate is provided in the actuarial documents, to all persons operating nurseries that meet certain criteria. The insured crop will be all plants within each insured practice for CAT level of coverage, and each plant category you choose to insure within each insured practice for additional levels of coverage and that:

- You have a share;
 - 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 insurable if they:
- Are grown in containers containing two or more different genera, species, subspecies, varieties, or cultivars;
 - Are any plant classified by a state or county as illegal to grow or sell in the county in which the nursery is located;
 - Are grown as stock plants; or
 - Are grown solely for harvest of buds, flowers, or greenery.

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 for the plant category in the Special Provisions, 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.



NURSERY VALUE SELECT - FEBRUARY 2020

Important Dates

For Alabama, Florida, New Jersey and Texas:

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

For all other pilot states:

- Sales Closing/Cancellation Sept 1
• Contract Change Date April 30
• Insurance Period Begins Oct 1

Coverage Levels and Premium Subsidies

Coverage levels are available from 50 to 75 percent, in five percent increments. Catastrophic Risk Protection (CAT) coverage is also available.

Table with 2 columns: Item, Percent. Rows include Coverage Level, Premium Subsidy, and Your Premium Share for values 50, 60, 65, 70, 75.

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.

Insurance Units

Basic units are the only unit division available for NVS. However, you may further divide your basic unit 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.

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.

Occurrence Loss Option

Under the additional level of coverage, you may purchase the Occurrence Loss Option (OLO) in conjunction with your NVS policy in exchange for an additional premium. If you elect the OLO, your guarantee will be calculated the same as it would otherwise be calculated under the base policy. However, the OLO allows indemnities to be paid on smaller losses if a minimum dollar value of loss is exceeded.

Loss Example

Your share = 1.000

\$500,000 Selected value
x 0.75 Coverage level percentage
\$375,000 Amount of insurance

In the event of a loss

Pre-loss actual unit value = \$600,000

Post-loss damage value = \$200,000

Percent of loss = post-loss damage value (\$200,000) / pre-loss actual unit value (\$600,000) = 33.33%

Amount of loss = (lesser of the pre-loss actual unit value (\$600,000) or SV (\$500,000)) x percent of loss (.3333) = \$166,650

Occurrence deductible = lesser of (deductible percentage (0.25) x pre-loss actual unit value (\$600,000) or the crop year deductible (\$125,000)) = \$125,000

Subtract the occurrence deductible (\$125,000) from the amount of loss (\$166,650) = \$41,650

Indemnity = loss (\$41,650) x share (1.000) = \$41,650

Where to Buy Crop Insurance

All multi-peril crop insurance, including CAT policies, are available from private insurance agents. A list of crop insurance agents is available at all USDA service centers and on the RMA web site at www.rma.usda.gov/Information-Tools/Agent-Locator-Page.