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Federal Crop
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Risk Management
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Product
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Division

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NURSERY LOSS ADJUSTMENT STANDARDS HANDBOOK

2013 and Succeeding Crop Years

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

TITLE: NURSERY LOSS ADJUSTMENT STANDARDS HANDBOOK	NUMBER: 25750 (1-2011) 25750-1 (1-2012)
EFFECTIVE DATE: 2013 and Succeeding Crop Years	ISSUE DATE: January 31, 2012
SUBJECT: Provides procedures and instructions for administering the Processing Bean crop insurance program	OPI: Product Administration & Standards Division
	APPROVED: January 31, 2012 <i>/s/ Tim B. Witt</i> Deputy Administrator for Product Management

REASON FOR AMENDMENT

1. Made editorial and syntax changes so handbook text tracks with current RMA-approved language and updated examples and forms as needed.
2. Section 2B(4), page 3: Removed language “including trays containing 200 or fewer individual cells, unless specifically provided by the SP” from the definition of “Liners” in order to match the current SP language.
3. Section 2B(4), page 6: Removed language “including trays containing 200 or fewer individual cells, unless specifically provided by the SP” from the definition of “Standard Nursery Containers” in order to match the current SP language.
4. Section 3B(3)(a)1, page 10: Removed “(i.e., flooding from unnamed storms)”
5. Section 7E(2), page 24: Added word “down” to clarify rounding rules for sizes of field grown plants.
6. Section 7E(9), page 25: Changed from 1 inch to 5/8 inch.
7. Section 7H Group 6, page 35: Added language instructing the AIP to document omitted plant values in the Narrative of the Production Worksheet. Additional changes made to address omitted plants throughout the LASH, as applicable.
8. Section 7J(3), page 40: Clarified when plants propagated from a mother plant and grafted or budded plants will be considered to be established.
9. Section 12, TABLE A: Corrected minimum gallon measurement for pot to 0.038 and the cubic inch equivalent to 8.78.
10. Section 12, TABLE B, page 71: Changed minimum container insurance plant size limit for LI from 1 inch to 5/8 inch. Changed minimum high/wide insurable plant size limit for FN from 18 inches to seedling.
11. Section 12, TABLE B, page 72: Removed language “including trays containing 200 or fewer individual cells, unless specifically provided by the SP” from the first paragraph in order to match the current SP language.

NURSERY LOSS ADJUSTMENT STANDARDS HANDBOOK

CONTROL CHART

Nursery Loss Adjustment Standards Handbook						
	SC Page(s)	TC Page(s)	Text Page(s)	Reference Material	Date	Directive Number
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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 bur-lapped 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.

Field Market Value A: The value of undamaged insurable plants, based on the lesser of: (1) the prices contained in the Plant Price Schedule; or (2) the prices contained in the insured's nursery catalog or price list in the basic unit immediately prior to the occurrence of any loss, as determined by the AIP's appraisal. This allows the amount of insurance under the policy to be divided among the individual units in accordance with the actual value of the plants in the unit at the time of loss to determine whether the insured is entitled to an indemnity for insured losses in the basic unit. This value is also used to calculate the actual value of the plants in the basic unit at the time of loss to ensure the insured has not under-reported or over-reported the plant values. For liners, the total value of undamaged liners is multiplied by the survival factor to determine the value of undamaged insurable plants.

Field Market Value B: The value of insurable plants, based on the lesser of: (1) the prices contained in the Plant Price Schedule; or (2) the prices contained in the insured's nursery catalog or price list in the basic unit following the occurrence of a loss, as determined by the AIP's appraisal, plus any reduction in value due to uninsured causes. This is used to determine the loss of value for each individual unit so that losses can be paid on an individual unit basis.

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 5/8-inch in diameter, but less than 3 inches in diameter at the widest point of the container or cell interior, have an established root system, and meet all other conditions specified in the SP.

Liners with an established root system refer to liners whose roots have penetrated into the soil or medium and are developing normally. Visual inspections and a "Tug Test" will provide a good indication if the liners are established. An example Tug Test includes pulling lightly on a rooted cutting in a container. If the liner feels tight when pulled, then the liner's root system is established and growing into the soil. If the liner feels loose when pulled, then the liner's root system is not established.

Loss: FMV-A minus FMV-B.

Marketable: Of a condition that it may be offered for sale in the market. The market is any place where nursery stock can be sold. This would include the primary market or any other market, such as a discount market or internet.

Missing Sizes: If at any time while determining the inventory or loss values in the nursery, it is determined the size of a plant is not listed in the insured's nursery catalog or price list, but the genus, species, subspecies, variety or cultivar is listed in the nursery catalog or price list, the wholesale price for the missing plant size will be determined using the lower of the price determined from the calculation listed below or the price in the EPL/PPS:

- (a) Divide the price from the nursery catalog or price list for the plant at the nearest size to the size of the missing plant by the price in the EPL/PPS for the same-sized plant as shown in the nursery catalog or price list to determine a proration factor (rounded to three decimal places);
- (b) Multiply the EPL/PPS price that corresponds to the size of the missing plant by the proration factor.

For additional information and examples on missing sizes, refer to the SP and Subsections 7E and 7H of this handbook.

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 county-by-county basis.

Occurrence Deductible: This deductible allows a smaller deductible than the crop year deductible to be used when the inventory value is more or less than the reported basic unit value. The occurrence deductible is the lesser of: a) the deductible percentage multiplied by FMV-A multiplied by the Under-Report Factor in an under-report situation, or the deductible percentage multiplied by FMV-A multiplied by 1.000 plus the Over-Report Factor in an over-report situation; or b) the crop year deductible.

Omitted Plant: Any plant, meeting all insurability requirements, grown in a nursery that is not listed (by either the botanical or common name) in the insured's nursery catalog or price list. An omitted plant will be uninsurable for the crop year but the value of such plant, as determined using the Eligible Plant List and Plant Price Schedule (EPL/PPS) in accordance with section 6(e) of the Nursery CP, will be used in determining FMV-B. For additional information on omitted plants, refer to Subsection 7H.

Over-Report Factor: The factor that adjusts the insured's indemnity for over-reporting of inventory values. This factor is used in determining indemnities when FMV-A for any basic unit is less than the inventory value reported for the same basic unit minus the total of all previous losses as adjusted by any previous Under-Report Factor or Over-Report Factor. The Over-Report Factor is determined from the basic unit value reported on the Plant Inventory Value Report (PIVR), including a Peak Inventory Value Report during the coverage term of a Peak Inventory Endorsement, minus the total of all previous losses as adjusted by any previous Under-Report Factor or Over-Report Factor, divided by FMV-A, minus 1.100. The Over-Report Factor must be greater than 0.000 in order to affect the indemnity. Payments made under the Rehabilitation Endorsement will not be considered a previous loss when calculating the Over-Report Factor.

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.

Plant Types: The alpha code, numeric code, and type name for insurable plant types.

DT	056	Deciduous Trees (Shade and Flower)
BE	057	Broad-leaf Evergreen Trees
CE	058	Coniferous Evergreen Trees
FN	059	Fruit and Nut Trees
DS	060	Deciduous Shrubs
BS	061	Broad-leaf Evergreen Shrubs
CS	062	Coniferous Evergreen Shrubs
SF	063	Small Fruits
HP	064	Herbaceous Perennials
RO	065	Roses
GC	066	Ground Cover and Vines
AN	067	Annuals
FO	068	Foliage
PC	070	Palms and Cycads
LI	071	Liners (container grown only and inclusive of all insurable plant types)
		Other plant types listed in the SP

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 applicable to the following.

- (a) The lower of the price in the nursery catalog or price list minus all discounts (referred to as the insured's best wholesale catalog or price list price) or the maximum price shown in the EPL/PPS; or
- (b) The upgraded plant price approved by the AIP if the insured elects the NGPE, where available. This endorsement is not available under the CAT level of coverage.

Prohibited Plants: Any plant classified by a state or county as illegal to grow or sell in the county in which the nursery is located is uninsurable, even if listed in the EPL/PPS or otherwise qualifying as insurable. 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.

If during any inspection of the nursery or during the settlement of a claim, the AIP determines that prohibited plants are being grown or held for sale, the AIP will reduce the inventory value (mandatory PIVR revision) of any affected unit by the value of the prohibited plant(s). For additional information on prohibited plants, refer to Subsection 7H.

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

Standard Nursery Containers: Rigid containers not less than 5/8 inch in diameter at the widest point of the container interior, above-ground fabric grow bags, and other types of containers specified in the SP 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 SP that specifies the expected percentage of liners that normally survive the period from insurance attachment to market.

Under-Report Factor: The factor that adjusts the indemnity for under-reporting of inventory values. The factor is used in determining indemnities. For each basic unit, the Under-Report Factor is the lesser of: a) 1.000; or b) the basic unit value, including a Peak Inventory Value Report during the coverage term of a Peak Inventory Endorsement, minus the total of all previous losses, as adjusted by any previous Under-Report Factor or Over-Report Factor, divided by FMV-A. Payments made under the Rehabilitation Endorsement will not be considered a previous loss when calculating the Under-Report Factor.

Unit Division:

(a) If an additional level of coverage is elected for a practice, a basic unit, as defined in section 1 of the BP, 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;

- (4) For 2011 and succeeding crop years, for a carryover policy, coverage will not attach for the crop year until the later of June 1 or 30 days after the AIP receives an acceptable PIVR and two nursery catalogs or price lists. The AIP must receive the acceptable PIVR and nursery catalogs or price lists on or before May 1 for insurance to attach June 1. Coverage level changes must be requested on or before the May 1 Sales Closing Date.
- (5) 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 level of coverage 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 SP;
 - (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.
- (6) 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 2011 and each subsequent crop year.

B. CAUSES OF LOSS

- (1) The insurance provided is against only unavoidable loss directly caused by specific causes of loss contained in the Nursery CP and SP. All specified causes of loss must be due to a naturally occurring event.
- (2) All other causes of loss, including but not limited to the following, are not covered:
 - (a) Negligence, mismanagement, or wrongdoing by the insured, any member of the insured's family or household, the insured's tenants, or employees;
 - (b) 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.
 - (c) Failure to carry out a good irrigation practice for the insured plants, if applicable.
- (3) In accordance with the provisions of section 12 of the BP, insurance is provided for unavoidable damage:
 - (a) Caused only by the following causes of loss that occurs within the insurance period:

- 1 Adverse weather conditions, except as specified in section 10 (c) of the Nursery CP or the SP;
- 2 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;
- 3 Wildlife;
- 4 Earthquake; or
- 5 Volcanic eruption.
- (b) If due to a cause of loss specified in section 10 (a) of the Nursery CP or the SP:
 - 1 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 1st through December 25th);

- 2 Failure of the irrigation water supply; or
- 3 A failure of or a reduction in the power supply;
- (c) In addition to causes of loss excluded in section 12 (a), and (c) through (f) of the BP, insurance coverage is not provided against any loss caused by:
 - 1 Disease or insect infestation, unless:
 - a A disease or insect infestation occurs for which no effective control measure exists; or
 - b Coverage is specifically provided by the SP.
 - 2 Inability to market the nursery plants as a result of:
 - a The refusal of a buyer to accept production;
 - b Boycott; or
 - c An order from a public official prohibiting sales **including**, but not limited to, **a stop** sales order, quarantine, or **phytosanitary restrictions** on sales;
 - 3 Cold temperatures, if cold protection is required in the EPL/PPS, unless:
 - a 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 (refer to subsection 10 (c) (3) of the Nursery CP for additional details).
 - b The lowest temperature or its duration exceeded the ability of the required cold protection equipment to keep the insured plants from sustaining cold damage;
 - 4 Collapse or failure of buildings or structures, unless the damage to the building or structure results from an insurable cause of loss;
 - 5 Any cause of loss including those specified in section 10 (a) of the Nursery CP, if the only damage is a failure of plants to grow to an expected size; or
 - 6 In lieu of section 12 (b) of the BP, failure to follow recognized good nursery practices.

7 As specified in some county SP, if during any of the three most recent crop years the insured incurred a paid crop insurance indemnity due to excess moisture or flood that was not associated with a named storm (hurricane, typhoon, or tropical storm named and designated as such by the National Oceanic and Atmospheric Administration's National Hurricane Center, or its successor), we will not insure against any future losses due to excess moisture or flood not associated with a named storm unless the insured makes improvements to the nursery to mitigate future losses from these perils. At the insured's request, the AIP will inspect the improvements and, if acceptable, approve the nursery for renewed coverage against these perils.

- (d) Check the applicable county SP for causes of loss that may be insurable or uninsurable by SP statements.

C. PROVISIONS NOT APPLICABLE TO CAT LEVEL OF COVERAGE

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

D. UNIT DIVISION

- (1) Unit division on a geographic basis (i.e., different sections, FSN's, etc.) is not available under policy 08-073.
- (2) Optional units are not available under policy 08-073.
- (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 practice, county, and share. If an additional level of coverage is elected, the insured may elect to divide basic units into additional basic units for each insurable plant type. 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 CP).
- (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 an additional level of coverage or on CAT level of 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

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 an additional level of coverage under the Nursery CP;
- (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

- (1) The maximum rehabilitation payment per loss occurrence will be the LESSER OF:
 - (a) The insured's actual rehabilitation costs for the basic unit multiplied by the Under-Report Factor contained in the Nursery CP; or
 - (b) 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 CP, multiplied by the insured's coverage level percentage elected and multiplied by the insured's share.
- (2) Multiple rehabilitations are possible but the total of all rehabilitation payments for the crop year for a basic unit cannot 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 CP, multiplied by the insured's coverage level percentage elected and multiplied by the insured's share.

D. REHABILITATION PAYMENT INSPECTIONS

- (1) Rehabilitation payment inspections are to be prepared as final inspections on the claim form only when qualifying for a rehabilitation payment.
- (2) The Nursery Appraisal Software, which can be found on RMA's Web site, can be used in conjunction with the Rehabilitation Payment Report.

E. FORM ENTRIES AND COMPLETION INFORMATION

Verify or make the following entries:

Item

No. Information Required

1. **Insured's Name:** 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:** Four-digit crop year, as defined in the policy, for which the rehabilitation payment claim is filed.
4. **Basic Unit:** 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, entered in whole dollars.

The NGPE will permit insured's 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 nursery catalog or price list.

B. ELIGIBILITY FOR NURSERY GROWER'S PRICE ENDORSEMENT

- (1) The upgraded plant report will serve as the application for the NGPE.
- (2) To be eligible for insurance coverage under the NGPE, the insured must:
 - (a) Have insurance coverage under the Nursery CP at the additional level of coverage.
 - (b) Comply with all terms and conditions contained in the Nursery CP and the NGPE.
 - (c) Provide an Upgraded Plant Report:
 - 1 With the insured's application for coverage under the Nursery CP; or
 - 2 On or before the sales closing date if the insured has a carryover policy.
 - (d) 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.
 - (e) Have produced and sold the plant at wholesale:
 - 1 For a minimum of two crop years; and
 - 2 At a price equal to or greater than the requested upgraded price during at least one of the three most recent crop years.
 - (f) Provide all verifiable wholesale sales records for the most recent year of sales for each upgraded plant, at the time of:
 - 1 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
 - 2 Loss adjustment for insurable damage on any upgraded plant.
- (3) If a plant at a specific size has been sold at varying prices during the most recent year's sales, all sales records at the varying prices must be provided.
- (4) 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 in the Nursery CP.

- (5) No upgraded plant price will be used in calculating FMV-A or FMV-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.
- (6) 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 CP. The PIVR will not be revised downward to reflect the reduction in insurable plant prices.
- (7) Records of sales to the insured or to an affiliated party (someone who is not a disinterested 3rd party) are not considered verifiable sales records.

C. NURSERY GROWER'S PRICE ENDORSEMENT UPGRADED PLANT REPORT

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

- 4 Describe what rehabilitation the plants will require to prevent additional damage and to aid the plants' recovery; and
 - 5 State how long it will take the plants to recover to pre-damaged stage.
- (n) Provide the basis for the opinion (cite published material, industry guidelines, etc.), and provide all photographs of the damage and documentation supporting the cause of loss.
- (3) The AIP shall not accept written opinions from crop consultants who do not meet these minimum standards.

C. APPRAISAL DATES

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

D. GROUPING PLANTS DURING 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 these records have been verified to be acceptable. Acceptable nursery records include purchase, planting, sales, and annual inventory records. Records created by insured after a loss are not acceptable records. All acceptable records must be verified by a disinterested third party.

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) After FMV-A and the percent of damage has been determined for each plant, 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 together for appraisal purposes. The Nursery Appraisal Worksheet is to be used to determine before-loss (FMV-A), and after-loss (FMV-B) values.
- (3) 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 and containers smaller than the smallest EPL/PPS sizes listed for the plants and containers are not insurable. Do not round plant or container 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 **down** to the nearest size to determine the price.
- (3) Plants and containers 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 tree (from the normal soil line) or the width of the crown (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 nursery catalog or price list. However the price may not exceed the maximum price limit for the plant on the EPL/PPS for the same measurement method.

The measurement method by which a plant is listed in the nursery catalog or price list is the measurement method by which the plant is insurable. For example, if a plant is listed in the nursery catalog or price list under the high/wide measurement method but the plant is listed in the EPL/PPS under the high/wide and caliper measurement methods, then the plant must be insured and priced using the high/wide 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, refer to 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 nursery catalog price, determine the caliper measurement of the trees (2 inches). Compare the EPL/PPS 2-inch caliper price to the nursery catalog ten-foot price to determine the lower price.

- (8) The EPL/PPS lists 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).
- (9) Liner growers sometimes use tray sizes that have insurable cell sizes (i.e., equal to or greater than 5/8 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 nursery catalog price to determine the lower of price.
- (10) The insurable price of upgraded plants under the NGPE cannot exceed the nursery catalog or price list price for the plant.
- (11) If at any time while determining the inventory or loss values in the nursery, it is determined that the size of a plant is not listed in the nursery catalog or price list, but the genus, species, subspecies, variety or cultivar is listed in the nursery catalog or price list, the wholesale price for the missing plant size will be determined using the lower of the price determined from the calculation listed below or the price in the EPL/PPS, unless the plant is endorsed under the NGPE. If the plant is endorsed under the NGPE and the calculated wholesale price for the missing plant size determined in (a) or (b) below is greater than the EPL/PPS price, then the price used for insurance purposes is the calculated wholesale price, not the EPL/PPS price.
- (a) When only one plant size listed in the catalog or price list is nearest to the size of the missing plant, calculate the proration factor using the calculation listed below:
- 1 Divide the price from the nursery catalog or price list or the upgraded plant price, if the NGPE is elected, for the plant at the nearest size to the size of the missing plant by the price in the EPL/PPS for the same-sized plant as shown in the nursery catalog or price list to determine a proration factor (rounded to three decimal places); and
 - 2 Multiply the EPL/PPS price that corresponds to the size of the missing plant by the proration factor.

EXAMPLE: The nursery catalog has an *Agastache* 'Firebird' listed in a 3-gallon container. At the time of loss, the *Agastache* 'Firebird' is growing in a 2-gallon container. The nursery catalog price for a 3-gallon *Agastache* 'Firebird' is \$12.00; a price for a 2-gallon size is not listed. The EPL/PPS 3-gallon *Agastache* 'Firebird' price is \$15.00 and the EPL/PPS 2-gallon *Agastache* 'Firebird' price is \$9.00. The wholesale price for the missing plant size will be \$7.20 (\$12.00 nursery catalog price ÷ \$15.00 EPL/PPS price = 0.800 proration factor multiplied by \$9.00 EPL/PPS price).

- (b) When there are two plant sizes listed in the nursery catalog or price list equally distant to the size of the missing plant, calculate the proration factor using the calculation listed below:

- 1 Add the two equally-distant prices from the nursery catalog or price list or add the two upgraded plant prices, if the NGPE is elected;
- 2 Add the two equally-distant prices from the EPL/PPS;
- 3 Divide the result of 1, the sum of the two prices or two upgraded plant prices from the nursery catalog or price list for the plant at the nearest sizes to the size of the missing plant, by the result of 2, the sum of the two prices in the EPL/PPS for the same-sized plant, to determine a proration factor (rounded to three decimal places); and
- 4 Multiply the EPL/PPS price that corresponds to the size of the missing plant by 3, the proration factor, to create the missing catalog or price list price.

EXAMPLE: The nursery catalog has an *Agastache* 'Firebird' listed in a 1-gallon and in a 3-gallon container. At the time of loss, the *Agastache* 'Firebird' is growing in a 2-gallon container. The nursery catalog lists a price for a 1-gallon *Agastache* 'Firebird' at \$6.00 and a price for a 3-gallon *Agastache* 'Firebird' at \$12.00. A price for a 2-gallon *Agastache* 'Firebird' is not listed. The EPL/PPS 1-gallon *Agastache* 'Firebird' price is \$7.00, the EPL/PPS 2-gallon *Agastache* 'Firebird' price is \$9.00, and the EPL/PPS 3-gallon *Agastache* 'Firebird' price is \$15.00. The wholesale price for the missing plant size will be $\$7.36$ ($(\$6.00 + \$12.00) = \$18.00$ nursery catalog price \div $(\$7.00 + \$15.00) = \$22.00$ EPL/PPS price = 0.818 proration factor multiplied by $\$9.00$ EPL/PPS price).

- (c) When calculating the price for a missing:

- 1 Liner size, only compare the missing size to other liner sizes. For example: 1) if the missing liner size is 72-200 cells/tray, the nearest size is 37-71 cells/tray ("equally-distant" does not apply); 2) if the missing liner size is 37-71 cells/tray, the two equally-distant sizes are 72-200 cells/tray and <3" – 36 cells/tray; and 3) if the missing liner size is <3" – 36 cells/tray, the nearest size is 37-71 cells/tray ("equally distant" does not apply).
- 2 Pot size, calculate the price based on (a) above, as there will not be two equally-distant prices as stated in (b). The nearest size to the missing Pot size is the next larger size listed in the catalog.

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 basic unit Occurrence Deductible or the **REMAINING** CYD 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 by each basic unit to satisfy the basic unit CYD, without regard to whether the unit actually qualifies for an indemnity in any loss occurrence. Once the basic unit CYD is satisfied, an occurrence deductible is no longer applicable (unless a revised PIVR or Peak Inventory Endorsement has been accepted to increase unit liability, CYD, and premium and the 30-day waiting period has expired). All data from any previous loss occurrence affecting the plants in the basic unit currently being adjusted must be available for the adjuster to:
 - (a) Assure proper credit of losses counting toward the basic unit CYD; and
 - (b) Avoid exceeding the total amount of insurance for the basic unit and overpayment of an indemnity.

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

- ***
- (1) 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 CP require that the insured submit a PIVR for each insured practice by basic unit, for all growing locations within the county, which includes the plant type, PIVR inventory value, coverage level selected, and the insured’s share. AIPs must request and verify documentation to support the inventory values reported on the PIVR and inventory values used to determine FMV-A.
 - (2) **The insured is** 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 level of 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, in the PIVR. Failure to provide the requested documentation will result in premium owed but no indemnity paid for any basic units for which such documentation was not provided.
 - (3) Providing inadequate documentation (i.e. documentation that does not fully support the amount for which the insured reported) for each basic unit will not result in denial of insurance for the crop year. However, providing inadequate documentation will result in a reduction in the insured’s indemnity for each basic unit where inadequate documentation was provided.
 - (4) In order to prevent the insured’s indemnity from being reduced when basic unit values are greater than FMV-A, the following must apply: FMV-A plus the insured value of the plants listed on the verified sales records must support, within 10 percent, the basic unit value reported on the PIVR, revised PIVR and Peak Inventory Value Report, as applicable, minus the total of all previous losses as adjusted by any Under-Report Factor or Over-Report Factor. Otherwise, any indemnity for that basic unit will be reduced by an Over-Report Factor. Only verify and review sales records dated between the signature date of the PIVR and the date FMV-A is determined.

- (5) 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) FMV-A and FMV-B 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.
 - (c) Copies of the ANSI Z60.1 are available for purchase from ANLA Publications, Washington, D.C., at (202) 789-5980, extension 3019.
- (6) 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.
- (7) FMV-A is established using the following, as applicable:
- (a) The lower of the insured's nursery catalog or price list price or the EPL/PPS price for the size attained (container size for container grown plants or height/width/caliper for field grown plants).
 - (b) The NGPE.
 - (c) The reduced FMV-B plant value from a previous loss occurrence when the plant has not fully recovered.

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.

- (8) According to the SP, the insured must insure and report on the PIVR the value of all insurable plants/plant types in each unit, whether the insured elects basic units by share or by plant type. For over-report and under-report situations, the unreported plant types are not insurable plants and an indemnity will not be paid on those uninsured plant types.

For under-report situations ONLY, determine the proration factor for each reported plant type(s), determine FMV-A for each unreported plant type, and assign the unreported type FMV-A proportionally to the FMV-A for each reported plant type in the same practice. The plants in each unreported plant type are to be listed as undamaged when determining the unreported plant type FMV-A.

EXAMPLE: For calculating the proration factor when the nursery has an unreported plant type. Assume the nursery has 100 percent share, selected basic units by plant type, reported unit 00100, plant type BS valued at \$150,000 and reported unit 00200, and plant type BE valued at \$100,000. At the time of loss unit 00100 FMV-A is \$130,000, unit 00200 FMV-A is \$120,000 and an unreported plant type FMV-A is \$100,000.

Determine the proration factor for each reported unit. Sum FMV-A for all reported unit(s). Divide FMV-A for each unit by the sum of all FMV-As for the reported units to calculate the proration factor to be used for each unit.

Step (1) Sum FMV-A for all reported units.
 $\$130,000 + \$120,000 = \$250,000$

Step (2) Divide each FMV-A by the sum of FMV-As.
 $\$130,000 \div \$250,000 = 0.520$ factor for unit 00100
 $\$120,000 \div \$250,000 = 0.480$ factor for unit 00200

Step (3) Multiply FMV-A for the unreported unit by the proration factor for each reported unit.
 $\$100,000 \times 0.520 = \$52,000$ to be added to unit 00100
 $\$100,000 \times 0.480 = \$48,000$ to be added to unit 00200

Step (4) Assign the prorated amount of FMV-A for the unreported unit to the corresponding FMV-A for each reported unit.
 $\$130,000 + \$52,000 = \$182,000$ to be entered in item 27 of the Production Worksheet for unit 00100
 $\$120,000 + \$48,000 = \$168,000$ to be entered in item 27 of the Production Worksheet for unit 00200

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

- (1) The SP 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 1.000; and
 - (e) Multiply the results of (d) by the insurable plant price.

- (2) Example for calculating FMV-B when the nursery has a 3-gallon *Hibiscus Syriacus* 'Morning Star' with an EPL/PPS value of \$9.90 prior to damage. Assume the 3-gallon *Hibiscus Syriacus* 'Morning Star' is in the 24-month stage of growth on July 1st when the damage occurred and the adjuster determined it is going to take 10 months for the *Hibiscus Syriacus* 'Morning Star' to recover to the pre-damaged stage. The FMV-B value of the 3-gallon *Hibiscus Syriacus* 'Morning Star' will be determined as follows:
- (a) Divide the estimated 10-month recovery time by the 24-month stage of growth: $10 \div 24 = 0.42$ (42 percent) damaged.
 - (b) Subtract the result of (a) from 1.000: $1.000 - 0.42 = 0.58$ (58 percent) undamaged.
 - (c) Multiply the result of (b) by the FMV-A of the 3-gallon *Hibiscus Syriacus* 'Morning Star': 0.58 (58 percent) x \$9.90 = \$5.74.

The plant will return to the pre-damaged stage on May 1st.

- (3) For partially damaged plants, the stage of growth and corresponding price of the plant is based on the stage of growth and price of the plant prior to the loss event and remains at this stage of growth and price until the end of the recovery period.
- (4) The insurable value of the plant will stay at the reduced FMV-B value from the loss event until the plant reaches the end of the recovery period or the plant value is reduced further by an additional loss event.
- (5) The indemnity for an insured plant still in recovery from a first loss event when a second loss event occurs is calculated as follows:
- (a) Information required from the first loss event:
 - 1 The number of months the plant required to reach the stage of growth at the time the first damage occurred;
 - 2 The number of months required for the plant to recover to the pre-damaged stage of growth;
 - 3 The date of the end of the recovery period when the plant will return to the pre-damaged stage of growth;
 - 4 The number of months remaining for the plant to recover to the pre-damaged stage of growth;
 - 5 The amount of FMV-B for the plant after the first damage occurred;
 - (b) Information required for the second loss event:
 - 1 The number of months the plant required to reach its pre-damaged stage of growth;

GROUP	INFORMATION
<p style="text-align: center;">6</p> <p>OMITTED PLANTS That are not listed or are listed incorrectly in the catalog</p>	<p>An omitted plant is any plant grown in the nursery meeting all insurability requirements of the Nursery CP that is not listed in the catalog/price list or is listed but does not have a corresponding price in accordance with all the requirements in Section 6(k) of the Nursery CP.</p> <p>Any plant qualifying for this category is an uninsurable plant and will not receive an indemnity.</p> <p>The plant will be valued as undamaged using the EPL/PPS price in accordance with section 6(e) of the Nursery CP. The resulting uninsurable plant value will be added to the insurable plant value when determining the undamaged plant amount to be entered in FMV-B (item 28b on the Production Worksheet) for the unit. Document omitted plant values in the Narrative of the Production Worksheet.</p>
<p style="text-align: center;">7</p> <p>UNREPORTED PLANT TYPES Type(s) are not reported for the crop year on the PIVR, revised PIVR, or Peak PIVR</p>	<p>Any insurable plant type for the practice grown in the nursery meeting all insurability requirements of the Nursery CP is not reported on the PIVR, revised PIVR, or Peak PIVR in accordance with all the requirements in Section 6 of the Nursery CP.</p> <p>For over-report and under-report situations, any plant qualifying for this category is an uninsurable plant and will not receive an indemnity.</p> <p>The plant will be valued as undamaged using the EPL/PPS price in accordance with section 6(e) of the Nursery CP. Additionally, for under-report situations ONLY, to determine the URF for the reported plant types the AIP will calculate FMV-A for each unreported plant type and assign the value proportionally to each reported plant type in the same practice.</p>
<p style="text-align: center;">8</p> <p>PROHIBITED PLANTS</p>	<p>A prohibited plant is any plant classified by a state or county as illegal to grow or sell in the county in which the nursery is located is uninsurable even if listed in the EPL/PPS or otherwise qualifying as insurable.</p> <p>Any plant qualifying for this category is an uninsurable plant and will not receive an indemnity.</p> <p>If during any inspection or settlement of a claim, it is determined that prohibited plants are being grown or held for sale, reduce the inventory value (mandatory PIVR revision) of any affected unit by the value of the prohibited plant(s).</p>

GROUP	INFORMATION
<p style="text-align: center;">9 MISSING SIZES One nearest size price</p>	<p>If at any time while determining the inventory or loss values in the nursery, it is determined the size of a plant is not listed in the insured's nursery catalog or price list, but the genus, species, subspecies, variety or cultivar is listed in the nursery catalog or price list, the wholesale price for the missing plant size will be determined using the lower of the price determined from the calculation listed below or the price in the EPL/PPS, unless the plant is endorsed under the NGPE. If the plant is endorsed under the NGPE and the calculated wholesale price for the missing plant is greater than the EPL/PPS price, then the price used for insurance purposes is the calculated wholesale price, not the EPL/PPS price. When only one plant size listed in the catalog or price list is nearest to the size of the missing plant, calculate the proration factor using the calculation listed below:</p> <p>(a) Divide the price from the nursery catalog or price list or the upgraded plant price, if the NGPE is elected, for the plant at the nearest size to the size of the missing plant by the price in the EPL/PPS for the same-sized plant as shown in the nursery catalog or price list to determine a proration factor (rounded to three decimal places); and</p> <p>(b) Multiply the EPL/PPS price that corresponds to the size of the missing plant by the proration factor.</p> <p>EXAMPLE: The nursery catalog has an <i>Agastache</i> 'Firebird' listed in a 3-gallon container. At the time of loss, the <i>Agastache</i> 'Firebird' is growing in a 2-gallon container. The nursery catalog price for a 3-gallon <i>Agastache</i> 'Firebird' is \$12.00; a price for a 2-gallon size is not listed. The EPL/PPS 3-gallon <i>Agastache</i> 'Firebird' price is \$15.00 and the EPL/PPS 2-gallon <i>Agastache</i> 'Firebird' price is \$9.00. The wholesale price for the missing plant size will be \$7.20 ($\\$12.00 \text{ nursery catalog price} \div \\$15.00 \text{ EPL/PPS price} = 0.800 \text{ proration factor multiplied by } \\$9.00 \text{ EPL/PPS price}$).</p>

GROUP	INFORMATION
<p style="text-align: center;">10 MISSING SIZES Two nearest size prices</p>	<p>If at any time while determining the inventory or loss values in the nursery, it is determined the size of a plant is not listed in the nursery catalog or price list, but the genus, species, subspecies, variety or cultivar is listed in the nursery catalog or price list, the wholesale price for the missing plant size will be determined using the lower of the price determined from the calculation listed below or the price in the EPL/PPS, unless the plant is endorsed under the NGPE. If the plant is endorsed under the NGPE and the calculated wholesale price for the missing plant is greater than the EPL/PPS price, then the price used for insurance purposes is the calculated wholesale price, not the EPL/PPS price. When there are two plant sizes listed in the nursery catalog or price list equally distant to the size of the missing plant, calculate the proration factor using the calculation listed below:</p> <p>(a) Add the two equally-distant prices from the nursery catalog or price list or add the two upgraded plant prices, if the NGPE is elected;</p> <p>(b) Add the two equally-distant prices from the EPL/PPS;</p> <p>(c) Divide the result of (a) the sum of the two prices, or two upgraded plant prices, from the nursery catalog or price list for the plant at the nearest sizes to the size of the missing plant by the result of (b) the sum of the two prices in the EPL/PPS for the same-sized plant to determine a proration factor (rounded to three decimal places); and</p> <p>(d) Multiply the EPL/PPS price that corresponds to the size of the missing plant by (c) the proration factor to create the missing nursery catalog or price list price.</p> <p>EXAMPLE: The nursery catalog has an <i>Agastache</i> ‘Firebird’ listed in a 1-gallon and in a 3-gallon container. At the time of loss, the <i>Agastache</i> ‘Firebird’ is growing in a 2-gallon container. The nursery catalog lists a price for a 1-gallon <i>Agastache</i> ‘Firebird’ at \$6.00 and a price for a 3-gallon <i>Agastache</i> ‘Firebird’ at \$12.00. A price for a 2-gallon <i>Agastache</i> ‘Firebird’ is not listed. The EPL/PPS 1-gallon <i>Agastache</i> ‘Firebird’ price is \$7.00, the EPL/PPS 2-gallon <i>Agastache</i> ‘Firebird’ price is \$9.00, and the EPL/PPS 3-gallon <i>Agastache</i> ‘Firebird’ price is \$15.00. The wholesale price for the missing plant size will be $\\$7.36 ((\\$6.00 + \\$12.00) = \\$18.00 \text{ nursery catalog price} \div (\\$7.00 + \\$15.00) = \\$22.00 \text{ EPL/PPS price} = 0.818 \text{ proration factor multiplied by } \\$9.00 \text{ EPL/PPS price})$.</p>

- (7) Any plant, grown in a nursery meeting all insurability requirements, not listed (by either the botanical or common name) in the nursery catalog or price list will be uninsurable for the crop year (will not be included in FMV-A) but the value of such plants, as determined using the EPL/PPS in accordance with section 6(e) of the Nursery CP, will be used in determining FMV-B. This will also apply if the plant is listed in the nursery catalog but there is not a corresponding price. If the nursery catalog is not updated on an annual basis, the insured must submit a supplement to the catalog or price list on or before the sales closing date. The supplement must be in accordance with section 6(k) of the Nursery CP.

If the insured can prove through purchase receipts that the insured acquired new plants after submitting the initial PIVR that were not contained in the nursery catalog or price list provided for the crop year, the insured must submit a revised nursery catalog or price list in accordance with section 6(k) of the Nursery CP and a revised PIVR, if applicable. The new plants will not be insurable until 30 days after such nursery catalog or price list is received by the AIP.

EXAMPLE: For calculating the FMV-B when the nursery has omitted plants. The nursery reported unit 00100, valued at \$150,000. At the time of loss, unit 00100 FMV-A is \$140,000 (excluding omitted plants) and FMV-B is \$45,000 (excluding omitted plants). Unit 00100 has 2 omitted plants with an undamaged value of \$15,000.

Step (1) Determine FMV-A and FMV-B for the plants listed in the catalog or price list for the unit. Do not include omitted plants.
\$140,000 FMV-A, \$45,000 FMV-B

Step (2) On a separate appraisal sheet determine the undamaged value FMV-A of the plant(s) omitted from the catalog or price list for the unit.
\$15,000 FMV-A the undamaged value of the plants.

Step (3) Add amount of FMV-B determined in step (1) and the amount of FMV-A determined in step (2).
 $\$45,000 + \$15,000 = \$60,000$

Step (4) Enter the results of step (3) \$60,000 in item 28b of the Production Worksheet for unit 00100. Document omitted plant values in the Narrative of the Production Worksheet.

- (8) The simple inability to market plants in the primary market and at the time the plants would normally be marketed in and of itself is not a separate and distinct cause of loss.

The customers' failure to purchase nursery stock is not an insured cause of loss. The policy only covers damage to the plant due to insured causes of loss. If the plants are not damaged, there is no covered loss even if no one is willing to purchase the plants.

- (9) 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.
- (10) If the number of months to recover is equal to or greater than the age (in months) of the damaged plant, then the plant is considered to have zero value.
- (11) 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).**

This does not include plants which are marketable once they've recovered from damage, regardless of whether or not they were marketed in the initially-intended market. Such plants would be valued according to Group 5 procedure as described in the table above.

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.

- (12) 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 insured's best wholesale catalog or price list 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.
- (13) Propagation plants (such as "stock" plants grown solely for cuttings, budding or grafting, air-layering, seed production, etc.) **are not 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 CP 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 SP.
- (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.
- (3) 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.
- (4) 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 any input from the food reserves of seeds, mother plants (source clone), cuttings, etc. In addition to the requirements in the previous two sentences, plants that are propagated from a mother plant (or source clone) will be considered established only after they have been detached from the mother plant (or source clone). Grafted or budded plants will not be considered to have a viable foliage system until the plant has broken dormancy and produced foliage subsequent to grafting or budding.
- (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 Nursery CP and section 14 of the BP, 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.

- (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).
- (5) AIPs can create separate Appraisal Worksheets in order to document the values of omitted plants and unreported plants/plant types.
- (6) Document all uninsured causes of loss in the REMARKS section.
- (7) Separate Appraisal Worksheets are required for each basic unit inspected, if the Nursery Appraisal Software is not used. If the Nursery Appraisal Software is used, separate Appraisal Worksheets may not be required for each basic unit inspected since the Appraisal Worksheet created using the Nursery Appraisal Software lists subtotals by plant type.
- (8) For plants insured by written agreement, enter the Type Code and Storage Key in columns 15a through 15d.
- (9) Use separate lines for differing:
 - (a) Size of container for containerized plants or size of plant for field grown plants;
 - (b) Degree of damage (established by the number of months required for the plants to recover to a marketable condition); or
 - (c) Salvage value.
- (10) Standard Appraisal Worksheet items are numbered consecutively in subsection C. An example Appraisal Worksheet is also provided to illustrate how to complete entries.

C. WORKSHEET ENTRIES AND COMPLETION INFORMATION

Verify or make the following entries:

<u>Item No.</u>	<u>Information Required</u>
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: <ol style="list-style-type: none"> (a) For an additional level of coverage, enter the unit number (basic unit by type) from the PIVR after it is verified to be correct. (b) For CAT level of coverage, enter a unit number to represent the basic unit by share (consisting of all plant types for the practice, as applicable).

4. **Crop Year:** Four-digit 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 additional damage due to a subsequent loss, a specific date occurring within any applicable increased level of coverage (due to an upward-revised PIVR or Peak Inventory Endorsement) in effect at the time damage was occurring.
7. **Inspection Number:** Number of the inspection (e.g., 1).
8. **Practice Code:** Three-digit code number, entered exactly as specified on the actuarial documents for the cropping practice (practice) carried out by the insured, e.g., 007 (Field Grown) or 008 (Container), as applicable.
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 level of coverage or “No” if the insured selected an additional level of coverage.
13. **Basic Units By Type:** Check the appropriate box: “Yes” if insured selected basic units by type or “No” if insured selected basic units by share. Only additional level of coverage policies may have basic units by type. All CAT level of coverage 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 through 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. **Field ID:** Any combination of letters and/or numbers up to 5 characters, identifying the location of the plants (e.g., B2).

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

17a. Number: Actual count, by name as published in the EPL/PPS 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.

17b. 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 (Refer to subsection 7G(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), refer to the SP and the Nursery Underwriting Guide for determining which price and size entry to use.

18. **Months to Recover:** Enter one of the following:

(a) Number of months:

(1) 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., 0.67, 6.00, 25.33, and 36.50).

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.”

To calculate a part of a month, divide the number of days to recover by 30 to determine the part of a month to be entered. A plant requires 4 months 20 days to recover (e.g., $20 \text{ days} \div 30 = .67$ when rounded to hundredths), enter “4.67.”

- (2) 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. Enter the salvage value (reduced value) in item 21b, “\$ Value per Each After Loss.”

For damaged plants that will take the same or greater amount of time to recover than the age (in months) of the plant, enter the plant as zero 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).

19. **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.

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

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

21a. **Before Loss:** The dollar-and-cents per plant value appropriate from the following:

- (a) The lower of the price in the nursery catalog or price list minus all discounts or the maximum price shown in the EPL/PPS (identify on any hand completed forms use of the catalog or price list price by entering an “*” after entering the price).
(b) Value from an approved written agreement.
(c) The upgraded plant prices for the upgraded plants, when the NGPE is in effect.
(d) Total value of undamaged liners multiplied by the survival factor.
(e) As adjusted for previous damage.

c. The “CYD Remaining” must be equal to or greater than zero.

EXAMPLE: “CYD Remaining” (item 33) for the Basic Unit recorded in column 26a, will be used in place of the “Effective CYD” (item 19c) for column 26b and the “CYD Remaining” (item 33) for the Basic Unit recorded in column 26b, will be used in place of the “Effective CYD” (item 19c) for column 26c, etc.

34. **Preliminary Indemnity:** For the Basic Unit, enter the LESSER OF the “Unadjusted Indemnity” (item 32) or the “Effective XPS Liability” (item 18c), in whole dollars.
35. **Percent Share:** The insured’s share (e.g. 1.000).
36. **Price Election Percent:** All CAT level of coverage policies will have a price election percentage of 0.55. All additional level of coverage polices will have a price election percentage of 1.000.
37. **Indemnity:** The result of “Preliminary Indemnity” (item 34) multiplied by “Percent Share” (item 35) multiplied by “Price Election Percent” (item 36), rounded to whole dollars.
38. **Effective XPS Liability Remaining:** Enter the “Effective XPS Liability” (item 18c) for the Basic Unit minus the “Preliminary Indemnity” (item 34), for this unit in whole dollars.
39. **Narrative:** If more space is needed, document on a Special Report, and enter “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. Refer to the LAM for more information.
 - d. Explain any errors found on the PIVR and/or Peak Inventory Value Report.
 - e. Explain a “No” checked in item 25.
 - 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. 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.
- j. Reasons why upgraded prices(s) were not used, i.e., incomplete records, Under-Report Factor less than 0.500.
- k. Document the plants and the quantity grown in the nursery not belonging to the insured or plants belonging to the insured but grown in a nursery not owned by the insured.
- l. Document the calculation for unreported plant type's proration factor.
- m. Document the calculation for the plants missing from the catalog.
- n. Document the calculation for PIVR reduction because of prohibited plants reported for insurance.
- o. Document the calculations when the nursery has container or plant sizes growing in the nursery that are not listed in the catalog.
- p. If the insured incurred a paid crop insurance indemnity during any of the three most recent crop years due to excess moisture or flood that was not associated with a named storm, document the measures taken to mitigate future losses from excess moisture or flood.
- q. Document insured value of the plants listed on the verified sales records in an over-report situation.
- r. Document any other pertinent information, including photographs taken as documentation.
- s. Document any uninsurable plants, including omitted plant values, and add to item 28b.

- 40. **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.
- 41. **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 Production Worksheet.
- 42. **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.
- 43. **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.

44. **Page Numbers:** Page numbers - (Example: Page 1 of 1, Page 1 of 2, Page 2 of 2, etc.).

D. 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.

18a Basic Unit XPS Liability Report	18b Basic Unit Previous Indemnities Sum of item 34, previous losses	18c Effective XPS Liability Item 18a – Item 18b
19a Basic Unit CYD Report	19b Basic Unit Previous Occurrence Deductibles Sum of item 31, previous losses	19c Effective CYD Item 19a – Item 19b
21 Reported Basic Unit Value Item 18a + Item 19a	22 Sum of Previous Losses (Adjusted Losses) Item 18b + Item 19b + 28b	23 Basic Unit FMV-A Sum of all item 27 entries*
	24a Under-Report factor** Lesser of: 1.000 or $(\text{Item 21} - \text{Item 22}) \div \text{Item 23}$	
	24b Over-Report factor*** $[(\text{Item 21} - \text{Item 22}) \div (\text{Item 23} + \text{insured value of the plants listed on the verified sales records})] - 1.100$	

* If the nursery has unreported plant types, (insurable plant type(s) growing in the nursery but are unreported on the PIVR) a proportional amount is added to the Basic Unit FMV-A when calculating the Under-Report Factor.

** If Item 21 is greater than or equal to Item 23, MAKE NO ENTRY in Item 24a.

*** If Item 21 is less than or equal to Item 23, MAKE NO ENTRY in Item 24b.

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:		26a Type:	26b Type:	26g Summary:
27 FMV-A:		Adjuster Determines	Adjuster Determines	Sum of 26a – 26f
28 FMV-B:	28a Value Remaining Insured Cause:	Adjuster Determines	Adjuster Determines	Sum of 26a – 26f
	28b Value Assessed Uninsured Cause:	Adjuster Determines	Adjuster Determines	Sum of 26a – 26f
	28c FMV-B(Total):	28a + 28b*	28a + 28b*	Sum of 26a – 26f
29 Unadjusted Loss: <i>FMV-A – FMV-B(Total)</i>		27 – 28c.	27 – 28c.	Sum of 26a – 26f
30 Adjusted Loss: For Under-Report: <i>Item 29 X Item 24a</i> For Over-Report: <i>Item 29 X (1.000 – Item 24b)</i>		29 X 24a Or 29 X (1.000 – 24b)	29 X 24a Or 29 X (1.000 – 24b)	Sum of 26a – 26f
31 Occurrence Deductible: For Under-Report: [27 X (100% – Coverage Level %) X 24a]; OR For Over-Report: [27 X (100% – Coverage Level %) X (1+24b)]		Leave Blank	Leave Blank	Least of 30, calc. 31, or 19c
32 Unadjusted Indemnity		Leave Blank	Leave Blank	30 – 31
33 CYD Remaining		Leave Blank	Leave Blank	19c – 31
34 Preliminary Indemnity		Leave Blank	Leave Blank	Lesser of 32 or 18c
35 Percent Share		Leave Blank	Leave Blank	Report
36 Price Election Percent		Leave Blank	Leave Blank	Report
37 Indemnity		Leave Blank	Leave Blank	34 X 35 X 36
38 Effective XPS Liability Remaining		Leave Blank	Leave Blank	18c – 34

* When the nursery has omitted plant(s), (plants or plant prices omitted from the catalog or price list) add the amount of undamaged plant's value to 28b. Document omitted plant values in the Narrative of the Production Worksheet.

Complete the following items on the Production Worksheet for each Basic Unit by type.

Item:		26a Type:	26g Summary:
27 FMV-A:		Adjuster determined	Leave Blank
28 FMV-B:	28a Value Remaining Insured Cause:	Adjuster determined	Leave Blank
	28b Value Assessed Uninsured Cause:	Adjuster determined	Leave Blank
	28c FMV-B(Total):	28a + 28b*	Leave Blank
29 Unadjusted Loss: <i>FMV-A – FMV-B(Total)</i>		27 – 28c	Leave Blank
30 Adjusted Loss: For Under-Report: <i>29 X 24a</i> For Over-Report: <i>29 X (1.000 – 24b)</i>		29 X 24a Or 29 X (1.000 – 24b)	Leave Blank
31 Occurrence Deductible: For Under-Report: [27 X (100% – Coverage Level %) X 24a]; OR For Over-Report: [27 X (100% – Coverage Level %) X (1+24b)]		Least of 30, calc. 31, or 19	Leave Blank
32 Unadjusted Indemnity:		30 – 31	Leave Blank
33 CYD Remaining:		19c – 31	Leave Blank
34 Preliminary Indemnity:		Lesser of 32 or 18c	Leave Blank
35 Percent Share:		Report	Leave Blank
36 Price Election Percent:		Report	Leave Blank
37 Indemnity:		34 X 35 X 36	Leave Blank
38 Effective XPS Liability Remaining:		18c – 34	Leave Blank

* When the nursery has omitted plant(s) (plants or plant prices omitted from the catalog or price list) add the amount of undamaged plant's value to 28b. Document omitted plant values in the Narrative of the Production Worksheet.

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

1 Crop/Code #: NURSERY 0073	2 Basic Unit: 0001-0001-BU	3 Cropping Practice: 008	4 Location Description: 123 WEST PINE ANY CITY, ANY STATE	8 Company: ABC INSURANCE COMPANY ANY CITY, ANY STATE Agency: ABC AGENCY ANY CITY, ANY STATE	9 Name of Insured: I M INSURED
5 Date(s) of Damage: JAN 11	6 Cause(s) of Damage: FREEZE	7 Insured Cause %: 100	13 Basic Unit By Type: Yes No X	10 Claim #: XXXXXXXXXX	12 Crop Year: YYYY
				14 Date Notice of Loss: MM DD YYYY	15 Assign. of Indemnity: Yes No X
				16 Transfer of Right to Indemnity: Yes No X	17 Companion Policies:

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

18a Basic Unit XPS Liability: <i>Excluding Price & Share</i>	750,000	18b Basic Unit Previous Indemnity(ies): <i>Sum of item 34, previous losses (Exclude Indemnities applicable to Peak Inventory Endorsements)</i>	0	18c Effective XPS Liability: <i>18a - 18b or 38 from page 1 if > 6units</i>	750,000
19a Basic Unit CYD: <i>Inventory Value X (1.000 - Coverage Level %)</i>	250,000	19b Basic Unit Previous Occurrence Deductible(s): <i>Sum of item 31, previous losses (Exclude Occurrence Deductible(s) applicable to Peak Inventory Endorsements)</i>	0	19c Effective CYD: <i>19a - 19b or 33 from page 1 if > 6 units</i>	250,000

SECTION II - THIS LOSS

20a Inspection Number: 1	21 Reported Basic Unit Value: <i>Item 18a + Item 19a</i>	22 Sum of Previous Losses: <i>Adjusted Losses (Item 18b + Item 19b + 28b)</i>	23 Basic Unit FMV-A: <i>Sum of all item 27 entries</i>	24a Under-Report Factor: <i>Lesser of 1.000 or (Item 21 - Item 22) ÷ Item 23</i>
20b Coverage Level %: 75%	1,000,000	0	875,000	24b Over-Report Factor: <i>[(Item 21 - Item 22) ÷ (Item 23 + insured value of the plants listed on the verified sales records)] - 1.100</i> 0.030

25 Damage similar to other nurseries in the area?	26a Type:		26b Type:		26c Type:		26d Type:		26e Type:		26f Type:		26g Summary:
	Alpha Code	Numeric Code	Alpha Code	Numeric Code	Alpha Code	Numeric Code	Alpha Code	Numeric Code	Alpha Code	Numeric Code	Alpha Code	Numeric Code	
Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	DT	056											
27 FMV-A:	875,000												
28 FMV-B:	28a Value Remaining Insured Cause:		550,500										
	28b Value Assessed Uninsured Cause:		10,000										
	28c FMV-B(Total): <i>Item 28a + Item 28b</i>		560,500										
29 Unadjusted Loss: <i>(FMV-A - FMV-B(Total) Item 27 - Item 28c)</i>	314,500												
30 Adjusted Loss: Over-Report Situation: <i>Item 29 X Item (1 - 24b)</i>	305,065												
31 Occurrence Deductible: Over-Report Situation: <i>Item 27 X [(100% - Item 20b) X (1 + 24b)]</i>	225,313												
32 Unadjusted Indemnity: <i>Item 30 - Item 31</i>	79,752												
33 CYD Remaining: <i>Item 19c - Item 31</i>	24,687												
34 Preliminary Indemnity: <i>Lesser of item 32 or item 18c</i>	79,752												
35 Percent Share:	1.000												
36 Price Election Percent:	1.00												
37 Indemnity:	79,752												
38 Effective XPS Liability Remaining: <i>Item 18c - Item 34</i>	670,248												
39 Narrative: (If more space is needed, attach a Special Report)													

This is a Buy-up Policy with an over-reported inventory value. Insured value of the plants listed on the verified sales records = \$10,000.

This form example does not illustrate all required entry items (e.g., signatures, dates, etc.).

For Illustration Purposes Only
NURSERY PRODUCTION WORKSHEET/CLAIM FORM

1 Crop/Code #: NURSERY 0073	2 Basic Unit: 0001-0001-BU	3 Cropping Practice: 007	4 Location Description: 123 WEST PINE ANY CITY, ANY STATE	8 Company: ABC INSURANCE COMPANY ANY CITY, ANY STATE Agency: ABC AGENCY ANY CITY, ANY STATE	9 Name of Insured: I M INSURED
5 Date(s) of Damage: JAN 20		6 Cause(s) of Damage: FREEZE		10 Claim #: XXXXXXXXXX	
7 Insured Cause %: 100		13 Basic Unit By Type: Yes No X		11 Policy #: XXXXXXXXXX	
				12 Crop Year: YYYY	
				14 Date Notice of Loss: MM DD YYYY	
				15 Assign. of Indemnity: Yes No X	
				16 Transfer of Right to Indemnity: Yes No X	
				17 Companion Policies:	

SECTION I - IMMEDIATELY PRIOR TO THIS LOSS (Include Applicable Peak Inventory Endorsement(s))					
18a Basic Unit XPS Liability: <i>Excluding Price & Share</i>	750,000	18b Basic Unit Previous Indemnity(ies): <i>Sum of item 34, previous losses (Exclude Indemnities applicable to Peak Inventory Endorsements)</i>	190,000	18c Effective XPS Liability: <i>18a - 18b or 38 from page 1 if > 6units</i>	560,000
19a Basic Unit CYD: <i>Inventory Value X (1.000 - Coverage Level %)</i>	750,000	19b Basic Unit Previous Occurrence Deductible(s): <i>Sum of item 31, previous losses (Exclude Occurrence Deductible(s) applicable to Peak Inventory Endorsements)</i>	750,000	19c Effective CYD: <i>19a - 19b or 33 from page 1 if > 6 units</i>	0

SECTION II - THIS LOSS					
20a Inspection Number: 2	21 Reported Basic Unit Value: <i>Item 18a + Item 19a</i>	22 Sum of Previous Losses: <i>Adjusted Losses (Item 18b + Item 19b + 28b)</i>	23 Basic FMV-A: <i>Sum of all item 27 entries</i>	24a Under-Report Factor: <i>Lesser of 1.000 or (Item 21 - Item 22) ÷ Item 23</i>	
20b Coverage Level %: 50%	1,500,000	940,000	800,000	0.700	
				24b Over-Report Factor: <i>[(Item 21 - Item 22) ÷ (Item 23 + insured value of the plants listed on the verified sales records)] - 1.100</i>	

25 Damage similar to other nurseries in the area? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>		26a Type:		26b Type:		26c Type:		26d Type:		26e Type:		26f Type:		26g Summary:
		Alpha Code	Numeric Code	Alpha Code	Numeric Code	Alpha Code	Numeric Code	Alpha Code	Numeric Code	Alpha Code	Numeric Code	Alpha Code	Numeric Code	
		BE	057	BS	061									
27 FMV-A:		500,000		300,000										800,000
28 FMV-B:		28a Value Remaining-Insured Cause:		260,000		0								260,000
		28b Value Assessed Uninsured Cause:		0		0								0
		28c FMV-B(Total): <i>Item 28a + Item 28b</i>		260,000		0								260,000
29 Unadjusted Loss: (FMV-A - FMV-B(Total)) <i>Item 27 - Item 28c</i>		240,000		300,000										540,000
30 Adjusted Loss: Under-Report Situation: <i>Item 29 X Item 24a</i>		168,000		210,000										378,000
31 Occurrence Deductible: Under-Report Situation: <i>Item 27 X [(100% - Item 20b) X Item 24a]</i>														0
32 Unadjusted Indemnity: <i>Item 30 - Item 31</i>														378,000
33 CYD Remaining: <i>Item 19c - Item 31</i>														0
34 Preliminary Indemnity: <i>Lesser of item 32 or item 18c</i>														378,000
35 Percent Share:														1.000
36 Price Election Percent:														.55
37 Indemnity:														207,900
38 Effective XPS Liability Remaining: <i>Item 18c - Item 34</i>														352,100

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

This is a CAT Policy with an under-reported inventory value. Insured has purchased additional stock after first loss occurrence.

This form example does not illustrate all required entry items (e.g., signatures, dates, etc.).

12. 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 shown below.

FCIC SIZE NAME	GALLON MEASUREMENT		CUBIC INCH EQUIVALENT		INCLUDES STANDARD ANSI CLASS
	MINIMUM	MAXIMUM	MINIMUM	MAXIMUM	
POT	0.038	0.19	8.78	46.19	SP3
1 QUART	0.20	0.39	46.20	92.39	SP4
2 QUART	0.40	0.59	92.40	138.59	SP5
1 GALLON	0.60	1.37	138.60	318.77	1
2 GALLON	1.38	2.49	318.78	577.49	2
3 GALLON	2.50	3.39	577.50	785.39	3
5 GALLON	3.40	5.77	785.40	1,335.17	5
7 GALLON	5.78	8.49	1,335.18	1,963.49	7
10 GALLON	8.50	11.97	1,963.50	2,767.37	10
15 GALLON	11.98	17.49	2,767.38	4,042.49	15
20 GALLON	17.50	22.49	4,042.50	5,197.49	20
25 GALLON	22.50	29.79	5,197.50	6,883.79	25
30 GALLON	29.80	32.49	6,883.80	7,507.49	N/A
35 GALLON	32.50	37.49	7,507.50	8,662.49	N/A
40 GALLON	37.50	42.49	8,662.50	9,817.49	N/A
45 GALLON	42.50	47.49	9,817.50	10,972.49	N/A
50 GALLON	47.50	52.49	10,972.50	12,127.49	N/A
55 GALLON	52.50	57.49	12,127.50	13,282.49	N/A
60 GALLON	57.50	62.49	13,282.50	14,437.49	N/A
65 GALLON	62.50	67.49	14,437.50	15,592.49	N/A
70 GALLON	67.50	72.49	15,592.50	16,747.49	N/A
75 GALLON	72.50	77.49	16,747.50	17,902.49	N/A
80 GALLON	77.50	82.49	17,902.50	19,057.49	N/A
85 GALLON	82.50	87.49	19,057.50	20,212.49	N/A
90 GALLON	87.50	92.49	20,212.50	21,367.49	N/A
95 GALLON	92.50	97.49	21,367.50	22,522.49	N/A
100 GALLON	97.50	124.49	22,522.50	28,759.49	N/A
150 GALLON	124.50	174.49	28,759.50	40,309.49	N/A
200 GALLON	174.50	224.49	40,309.50	51,859.49	N/A
250 GALLON	224.50	274.49	51,859.50	63,409.49	N/A
300 GALLON	274.50	324.49	63,409.50	74,958.00	N/A

TABLE B - INSURABLE PLANT SIZE LIMITS

An additional high/wide (seedling) range is available for 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 insured's best wholesale catalog or price list 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	300 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	300 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	Seedling	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 5/8 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 5/8-inch in diameter at the widest point, but less than 3 inches in diameter at the widest point and have an established root system. Insurable prices for liners in individual cells are determined using the measurement method by which they are listed and priced in the insured's nursery catalog or price list; i.e., size of the cell or cells per tray. Size of the cell is based on the inch diameter for round cells or the inch dimension at the widest point for square or rectangular cells. If both the inch and cells per tray measurement methods are listed and priced in the nursery catalog or price list, the inch measurement will take precedence. An equivalency table for the two measurement methods is included in the Base Price Table of the EPL/PPS.
- ** 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.