NURSERY LOSS ADJUSTMENT STANDARDS HANDBOOK

2023 and Succeeding Crop Years

United States
Department of
Agriculture

Federal Crop
Insurance
Corporation

FCIC-25750 (02-2022)

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UNITED STATES DEPARTMENT OF AGRICULTURE
FARM PRODUCTION AND CONSERVATION
RISK MANAGEMENT AGENCY
KANSAS CITY, MO 64133

TITLE: NURSERY LOSS ADJUSTMENT STANDARDS HANDBOOK	**NUMBER: FCIC–25750** **OPI: Product Administration and Standards Division**
EFFECTIVE DATE: 2023 and Succeeding Crop Years	**ISSUE DATE: February 28, 2022**
SUBJECT: **Provides the procedures and instructions for administering the Nursery crop insurance program.**	**APPROVED:** ***/s/ Richard Flournoy*** **Deputy Administrator for Product Management**

REASON FOR ISSUANCE

This handbook is being issued to provide procedures and instructions for administering the Nursery crop insurance program for the 2023 and succeeding crop years.

SUMMARY OF CHANGES

Listed below are the changes to the 2022 FCIC–25750 Nursery Loss Adjustment Standards Handbook with significant content change. All changes, and additions are highlighted. Minor changes and corrections are not included in this listing. *** used throughout the handbook indicate where major deletions occurred.

Reference	Description of Change
Para. 1	Page 1: Added Title VI of the Civil Rights Act of 1964 language.

CONTROL CHART

	TP Page(s)	TC Page(s)	Text Page(s)	Exhibit Page(s)	Date	Directive Number
Current Index	1-2	1-2	1-43	44-81	02-2022	FCIC-25750

FILING INSTRUCTIONS

This handbook replaces the 2021 Nursery Loss Adjustment Standards Handbook, FCIC-25750 (04-2020). This handbook is effective for the 2023 and succeeding crop years and is not retroactive to any 2022 or prior crop year determinations.

NURSERY LOSS ADJUSTMENT STANDARDS HANDBOOK
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PART 1: GENERAL INFORMATION AND RESPONSIBILITIES

1 General Information

A. Purpose and Objective

The RMA-issued loss adjustment standards for this crop are the official standard requirements for adjusting losses in a uniform and timely manner. The RMA-issued standards for this crop and crop year are in effect as of the signature date for this crop handbook located at www.rma.usda.gov.

This handbook remains in effect until superseded by reissuance of either the entire handbook or selected portions (through amendments, bulletins, or FADs).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

B. Source of Authority

Refer to the LAM for Source(s) of Authority.

C. Title VI of the Civil Rights Act of 1964

The USDA prohibits discrimination against its customers. Title VI of the Civil Rights Act of 1964 provides that "No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance." Therefore, programs and activities that receive Federal financial assistance must operate in a non-discriminatory manner. Also, a recipient of RMA funding may not retaliate against any person because he or she opposed an unlawful practice or policy, or made charges, testified or participated in a complaint under Title VI.

It is the AIPs' responsibility to ensure that standards, procedures, methods and instructions, as authorized by FCIC in the sale and service of crop insurance contracts, are implemented in a manner compliant with Title VI. Information regarding Title VI of the Civil Rights Act of 1964 and the program discrimination complaint process is available on the USDA public website at www.ascr.usda.gov. For more information on the RMA Non-Discrimination Statement see the DSSH.

D. Related Handbooks

The following table provides handbooks related to this handbook.

Directive	Handbook	Relation/Purpose
18010	CIH	Provides general underwriting procedures.
18190	GSH	Provides general insurance standards and procedures.
24040	DSSH	This handbook provides the official FCIC approved form standards and procedures for use in the sale and service of any eligible Federal crop insurance policy; required statements and disclosures; and the standards for submission and review of non-reinsured supplemental policies in accordance with the SRA.
25010	LAM	Provides overall general loss adjustment (not crop-specific) process.

(1) Terms, abbreviations, and definitions general (not crop specific) to loss adjustment are identified in the GSH.

(2) Terms, abbreviations, and definitions specific to Nursery loss adjustment and this handbook are in Exhibits 1 and 2, herein.

2 AIP Responsibilities

A. Standards Utilization

All AIPs shall utilize these standards for both loss adjustment and loss training for the applicable crop year. These standards, which include crop appraisal methods, claims completion instructions, and form standards, supplement the general (not crop-specific) loss adjustment standards identified in the LAM.

B. Form Distribution

The following is the minimum distribution of forms completed by the adjuster and signed by the insured (or the insured's authorized representative) for the loss adjustment inspection.

(1) One legible copy to the insured; and

(2) The original and all remaining copies as instructed by the AIP.

C. Record Retention

It is the AIP's responsibility to maintain records (documents) as stated in the SRA and described in the LAM.

D. Form Standards

(1) The entry items and completion instructions in Exhibits 3-5 are the minimum requirements for the Nursery Rehabilitation Worksheet, Appraisal Worksheet, and Production Worksheet. All entry items are "Substantive" (they are required).

(2) The Privacy Act and Non-Discrimination statements are required statements that must be printed on all forms or provided to the insured as a separate document. These statements are not shown on the example form(s) in Exhibits 3-5. The current Non-Discrimination Statement and Privacy Act Statement can be found on the RMA website at www.rma.usda.gov.

(3) The certification statement required by the current DSSH must be included on the Production Worksheet directly above the insured's signature block immediately followed by the statement below:

"I understand the certified information on this Production Worksheet will be used to determine my loss, if any, to the above unit. The insurance provider may audit and approve this information and supporting documentation. The Federal Crop Insurance Corporation, an agency of the United States, subsidizes and reinsures this crop insurance."

(4) Refer to the DSSH for other crop insurance form requirements (such as point size of font, and so forth). The current DSSH can be found on the RMA website at www.rma.usda.gov.

3-10 (Reserved)

PART 2: POLICY INFORMATION

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

11 Insurability

A nursery grower may insure either the field grown practice or container grown practice or both. Container and field grown plants are insured as if they are different crops and can have different coverage levels on each practice. All insurable plants within the practice (container or field grown) must be insured.

(1) If the insured selects an additional level of coverage for a practice and the insured elects basic units by plant type, the insured may select a different coverage level for each insurable plant type. If the insured selects CAT level of coverage for a practice all plant types under the practice must be insured at the CAT level of coverage.

(2) For the field grown practice only, if the insured selects an additional level of coverage for a practice and the insured elects basic units by non-contiguous land, the insured must select one coverage level for all non-contiguous land units.

(3) The PIVR may be revised no more than twice during the crop year. The increased insurance will not attach until the 31st day after the AIP receives an acceptable revised PIVR. The revision can only be done to increase inventory values.

(a) If the insured selects basic units by plant type and submits a revised PIVR to add a new plant type basic unit that was not reported on the initial PIVR, the revised PIVR is not considered one of the two allowable revisions. If a new insured selects basic units by plant type and submits a revised PIVR to add a new plant that was not reported on the initial PIVR and the plant is not categorized under a plant type reported on the initial PIVR the insured must select a coverage level at that time.

(b) If an insured has basic units by non-contiguous land (field grown practice only) and submits a revised PIVR to add a location that could not be reported on the initial PIVR, the revised PIVR is not considered one of the two allowable revisions.

(c) If an insured has basic units by share or basic units by non-contiguous land and adds a new plant type that could not be reported on the initial PIVR, the revised PIVR is considered one of the two allowable revisions. The coverage level for the new plant type will be the same as the coverage level for all other plant types insured in the basic unit.

(4) For a new application, coverage will not attach until the later of June 1 or the 31st day after the AIP receives a signed application, PIVR, and two catalogs, unless the AIP notifies the insured in writing that the inventory or catalog is not acceptable. Insurance will not attach until the 31st day after the AIP receives an acceptable PIVR, catalog.

For a carryover policy, coverage will not attach for the crop year until the later of June 1 or the 31st day after the AIP receives an acceptable PIVR and two catalogs. The AIP must receive the acceptable PIVR and catalogs 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 EPLPPS;

(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 EPLPPS. 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 grown and sold with the root system attached;

(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; or

(d) May 31st, of the applicable crop year.

(e) Abandonment of the crop on the basic unit.

12 Causes of Loss

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.

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

A. Avoidable

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

(1) negligence, mismanagement, or wrongdoing by the insured, any member of the insured's family or household, the insured's tenants, or employees;

(2) water that is contained by or within structures that are designed to contain a specific amount of water, and such water stays within the designed limits;

(3) failure to carry out a good irrigation practice for the insured plants, if applicable.

B. Unavoidable

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

(1) caused only by the following causes of loss that occurs within the insurance period:

(a) adverse weather conditions, except as specified in section 10(c) of the Nursery CP or the SP;

(b) fire, provided weeds and undergrowth in the vicinity of the plants or buildings on the insured's site are controlled by chemical or mechanical means;

B. Unavoidable (Continued)

(c) wildlife;

(d) earthquake; or

(e) volcanic eruption.

(2) if due to a cause of loss specified in section 10(a) of the Nursery CP or the SP:

(a) a loss in plant values because of an inability to market plants, provided such plants would have been marketed during the crop year (e.g., poinsettias that are not marketable during their usual and recognized marketing period of November 1st through December 25th);

(b) failure of the irrigation water supply; or

(c) a failure of or a reduction in the power supply.

C. Excluded

In addition to causes of loss excluded in section 12(a), and 12(c)-(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 EPLPPS, unless the insured has installed adequate cold protection equipment or facilities and:

(a) 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); or

C. Excluded (Continued)

(b) the lowest temperature or its duration exceeded the ability of the required cold protection equipment or facilities 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;

(6) 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.

13 Provisions Not Applicable to CAT Level of Coverage

(1) Basic Units by plant type.

(2) Basic Units by non-contiguous land.

(3) Written Agreements.

(4) Hail and Fire Exclusion provisions.

(5) Peak Inventory Endorsement.

(6) Rehabilitation Endorsement.

(7) NGPE.

14 Unit Division

(1) Unit division on a geographic basis (i.e., different sections, FSN’s, etc.) is not available except as provided in Paragraph 14(3).

(2) Optional units are not available.

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

(4) If you elect additional coverage for a practice, a basic unit, as defined in section 1 of the BP, may be divided into additional basic units by:

   (a) each insurable plant type for which a premium rate is provided by the actuarial documents; or

   (b) for the field grown practice only, non-contiguous land. Basic units by non-contiguous land for the container grown practice may be allowed if provided for in the SP.

(5) Only the plant types listed in the actuarial documents are insurable.

(6) 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 or by non-contiguous land, all plant types must have the same unit number. If a loss is reported for part of a basic unit (a share unit or a non-contiguous land 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).

15-20 (Reserved)

PART 3: REHABILITATION PAYMENTS

21 General Information

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:

(1) 2.0 percent of field market A; or

(2) $5,000.

No rehabilitation payment will be made on nursery plants produced in standard nursery containers.

22 Qualifications

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; and

(7) AIP must determine it is practical to rehabilitate the damaged plants (It is not practical if the costs of rehabilitation are greater than the value of the plant prior to being damaged).

23 Maximum Payment

The maximum rehabilitation payment per loss occurrence will be the lesser of:

(1) the insured's actual rehabilitation costs for the basic unit multiplied by the URF described in the Nursery CP; or

(2) an amount equal to 7.5 percent of the value of all the insurable field grown plants (in the basic unit) that were rehabilitated subsequent to an insured cause of loss, multiplied by the URF described in the Nursery CP, multiplied by the insured's coverage level percentage elected and multiplied by the insured's share.

Multiple rehabilitations are possible but the total of all rehabilitation payments for the crop year for a basic unit cannot exceed 7.5 percent of the value of all the insurable field grown plants in the basic unit, multiplied by the URF described in the Nursery CP, multiplied by the insured's coverage level percentage elected and multiplied by the insured's share.

24 Inspections

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

The Nursery Appraisal Software, which can be found on RMA's website, can be used in conjunction with the Rehabilitation Payment Worksheet.

25 Worksheet Standards

(1) The entry items in Exhibit 3 are the minimum requirements for the Rehabilitation Payment Worksheet. All of these entry items are "Substantive" (i.e., they are required).

(2) The completion instructions for the required entry items on the Rehabilitation Payment Worksheet in Exhibit 3 are "Substantive" (i.e., they are required).

(3) AIPs are responsible for developing the Rehabilitation Payment Worksheet in accordance with the LASH and the required entry items provided herein.

(4) Include the AIP's name in the Rehabilitation Payment Worksheet title if not preprinted on the AIP's worksheet.

26-30 (Reserved)

PART 4: PEAK INVENTORY VALUE REPORT

31 General Information

A report that increases the value of insurable plants over the value reported on the PIVR, declares the coverage commencement and coverage termination dates. The amount of insurance provided under the Nursery CP for each basic unit is increased by the peak amount of insurance for such unit for the coverage term.

The peak insurance period coverage begins on the later of the date the insured declares as the coverage commencement date or 30 days after submitting a properly completed Peak Inventory Value Report and ends at 11:59 PM on the coverage termination date. The coverage termination date cannot be after the end of the crop year.

32 Eligibility

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

(1) must have insurance under the Nursery CP, in effect for the crop year that the endorsement applies;

(2) must elect an additional level of coverage;

(3) must submit a Peak Inventory Value Report; and

(4) may purchase no more than one Peak Inventory Endorsement for each basic unit during a crop year unless the insured has suffered an insured loss and has restocked the nursery, then the insured can purchase one additional Peak Inventory Endorsement for the basic unit.

33 Limitations

The peak amount of insurance is limited to 200 percent of the amount of insurance established under the Nursery CP.

34-40 (Reserved)

PART 5: PILOT NURSERY GROWER'S PRICE ENDORSEMENT

41 General Information

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

The NGPE will permit insureds 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 EPLPPS, but are equal to or less than the prices shown on the catalog.

42 Eligibility

The upgraded plant report will serve as the application for the NGPE. To be eligible for insurance coverage under the NGPE, the insured must:

(1) have insurance coverage under the Nursery CP at the additional level of coverage.

(2) comply with all terms and conditions contained in the Nursery CP and the NGPE.

(3) provide an Upgraded Plant Report:

  (a) with the insured's application for coverage under the Nursery CP; or

  (b) on or before the sales closing date if the insured has a carryover policy.

(4) have the upgraded plant price approved by the AIP for valuing the insured's upgraded plants at time of application or at time of loss when FMV-A and FMV-B are determined.

(5) have produced and sold the plant at wholesale:

  (a) for a minimum of two crop years; and

  (b) at a price equal to or greater than the requested upgraded price during at least one of the three most recent crop years.

(6) provide all verifiable wholesale sales records for the most recent year of sales for each upgraded plant, at the time of:

  (a) application for any upgraded plant and size that has an upgraded plant price that is at least 50 percent higher than the EPLPPS price for the same plant; or

  (b) loss adjustment for insurable damage on any upgraded plant.

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

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

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 URF for the unit to be less than 0.50 for that loss event.

If, at time of loss adjustment, the insured fails to provide verifiable wholesale sales records, the upgraded plant will not receive the upgraded plant price. 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.

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.

43 Upgraded Plant Report

Only plants listed on the Upgraded Plant Report that provide all the information required in section 5 of the endorsement will be eligible for upgraded plant prices. The Upgraded Plant Report must be submitted for each crop year for the NGPE to be in force.

The report must:

(1) be type-written and legible;

(2) show the name and address of the nursery;

(3) be signed and dated; and

(4) include the following information for each upgraded plant:

  (a) complete botanical or common name of the plant based on the names listed in the EPLPPS;

  (b) practice;

  (c) measurement method and size;

  (d) 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 catalog and there are not sales records for the smaller sized plant; and

  (d) percent difference between the upgraded plant price and EPLPPS price.

44-50 (Reserved)

PART 6: APPRAISALS

51 General Information

Potential production will be appraised in accordance with the BP, Nursery CP, Peak Inventory Endorsement, Rehabilitation Endorsement, NGPE, the SP, and with the procedures specified in this handbook and in the LAM.

In addition to insured's duties in section 14 of the BP, in case of damage to the insured plants the insured must:

(1) protect the plants from further damage by providing sufficient care;

(2) give the AIP notice within 72 hours of the insured's initial discovery of damage (but not later than 15 days after the end of the insurance period); and

(3) cooperate with the AIP in the investigation or settlement of claim.

The insured must obtain written consent prior to destroying, selling, or otherwise disposing of any plant inventory that is damaged or changing or discontinuing normal growing practices with respect to care and maintenance of the insured plants. Failure to obtain the AIP's written consent will result in denial of the claim on the basic unit for which written consent was not obtained.

If the insured intends to claim an indemnity on any unit, the claim for indemnity must be submitted not later than 60 days after the date of the loss, but in no event later than 60 days after the end of the insurance period. This requirement will be waived by the AIP if the final adjustment of the insured claim is totally or partially deferred because the AIP is unable to make an accurate determination of the amount of damage to the insured plants.

(1) For those damaged plants on which the loss adjustment and claim have not been deferred, the insured must submit a partial claim within the time frame specified and the AIP will settle the insured's claim on such plants.

(2) For those damaged plants on which the loss adjustment and claim have been deferred, the AIP will determine the amount of damage at the earliest possible date but no later than one year after the end of the insurance period for the crop year in which the damage occurred; and

(3) the insured must maintain the identity of the plants on which loss adjustment is deferred throughout the deferral period.

If the insured fails to meet the above requirements and such failure results in the AIP's inability to inspect the damaged production, all such production will be considered undamaged, and the claim will be denied. Refer to the LAM for further instructions.

In addition to any pre-acceptance nursery inspection, any growing season and loss claim inspections are to be performed by adjusters adequately knowledgeable and trained in nursery plants, and nursery operations.

The use of a nursery crop consultant in collaboration with the adjuster may be needed to complete the inspection. The AIP is responsible for arranging for the crop consultant to assist the loss adjustor. The written opinion of the consultant must meet or exceed the following minimum requirements:

(1) the opinion must be in writing, signed and dated.

(2) the written opinion must include:

- (a) a statement of the nursery crop consultant's education and experience that qualifies the individual as a nursery crop consultant;
- (b) a statement disclosing any familial or business relationship with the insured nursery, AIP, loss adjuster, or agent other than a fee for providing a written opinion;
- (c) the name of who requested the opinion;
- (d) the name of the nursery;
- (e) the address of the nursery, including the county where the nursery is located;
- (f) the date of inspection;
- (g) the plant types inspected;
- (h) the botanical or common name of the plants inspected;
- (i) the size of the plants inspected;
- (j) the number of plants of each type inspected;
- (k) the primary cause of damage claimed and the cause found;
- (l) the secondary cause of damage, if any;
- (m) for damaged plants, by plant type state:
  - (i) the actual age of the plants (not just the time the insured had the plants in the nursery);
  - (ii) the type of damage sustained by the plants (disease, wilting, broken, etc);
  - (iii) whether the plants can recover;

(iv) a description of what rehabilitation the plants will require to prevent additional damage and to aid the plants' recovery; and

(v) 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.

53 Dates

(1) AIP representatives will confer with the insured(s) to set appraisal dates.

(2) Appraise the unit as soon as possible after the date of damage.

54 Grouping Plants During Appraisals

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 the 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, those plants must also be inventoried.

After FMV-A and the percent of damage is 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 FMV-A, and FMV-B.

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.

55 Determining Size Qualifications and Plant Prices

A. Size Qualifications

(1) Plants and containers smaller than the smallest EPLPPS 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.

A. Size Qualifications (Continued)

(2) For field grown plants, measured sizes between those listed on the EPLPPS 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 EPLPPS will be insurable at the price for the largest EPLPPS 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-burlapped 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).

B. Plant Prices

(1) A plant that is priced on the EPLPPS 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 catalog. However the price may not exceed the maximum price limit for the plant on the EPLPPS for the same measurement method.

The measurement method by which a plant is listed in the catalog is the measurement method by which the plant is insurable. For example, if a plant is listed in the catalog list under the high/wide measurement method but the plant is listed in the EPLPPS under the high/wide and caliper measurement methods, then the plant must be insured and priced using the high/wide measurement method.

(2) 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 EPLPPS titled "Determining EPLPPS Price of Unlisted Cultivars."

(3) A nursery may price a plant by height (high/wide) whereas the EPLPPS 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 catalog lists trees by height (ten-foot-high), and the EPLPPS lists the trees by caliper. To determine the comparable EPLPPS price to compare to the catalog price, determine the caliper measurement of the trees (2 inches). Compare the EPLPPS 2-inch caliper price to the catalog ten-foot price to determine the lower price.

B. Plant Prices (continued)

(4) The EPLPPS 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 5/8” 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).

(5) 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 EPLPPS. 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 is 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 EPLPPS 3 – 36 prices to the catalog price to determine the lower of price.

(6) The insurable price of upgraded plants under the NGPE cannot exceed the catalog price for the plant.

(7) 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 catalog, but the genus, species, subspecies, variety or cultivar is listed in the catalog, 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 EPLPPS, 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 EPLPPS price, then the price used for insurance purposes is the calculated wholesale price, not the EPLPPS price.

B. Plant Prices (continued)

(a) When only one plant size listed in the catalog is nearest to the size of the missing plant, calculate the proration factor using the calculation listed in the following table.

Step	Action
1	Divide the price from the catalog, 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 EPLPPS for the same-sized plant as shown in the catalog to determine a proration factor (rounded to three decimal places). **Example**: At the time of loss, the *Agastache* 'Firebird' is growing in a 2-gallon container. The catalog price for a 3-gallon is \$12.00, but a price for a 2-gallon size is not listed. The EPLPPS 3-gallon price is \$15.00 and the EPLPPS 2-gallon price is \$9.00. \$12.00 ÷ \$15.00 = 0.800 proration factor
2	Multiply the EPLPPS price that corresponds to the size of the missing plant by the proration factor. **Example**: \$9.00 x 0.800 = \$7.20 wholesale price for the missing 2-gallon *Agastache* 'Firebird' plant size.

(b) When there are two plant sizes listed in the catalog equally distant to the size of the missing plant, calculate the proration factor using the calculation listed in the following table.

Step	Action
1	Add the two equally-distant prices from the catalog, or add the two upgraded plant prices if the NGPE is elected. **Example**: At the time of loss, the Agastache 'Firebird' is growing in a 2-gallon container. The catalog price for a 1-gallon is \$6.00 and a price for a 3-gallon is \$12.00. A price for a 2-gallon is not listed. The EPLPPS 1-gallon price is \$7.00, the EPLPPS 2-gallon price is \$9.00, and the EPLPPS 3-gallon price is \$15.00. \$6.00 + \$12.00 = \$18.00 catalog price
2	Add the two equally-distant prices from the EPLPPS. **Example**: \$7.00 + \$15.00 = \$22.00 EPLPPS price

55 Determining Size Qualifications and Plant Prices (Continued)

B. Plant Prices (continued)

Step	Action
3	Divide the result of step 1 by the result of step 2 to determine a proration factor (rounded to three decimal places). **Example**: $18.00 ÷ $22.00 = 0.818 proration factor
4	Multiply the EPLPPS price that corresponds to the size of the missing plant by step 3 to create the missing catalog price. **Example**: $9.00 x 0.818 = $7.36 wholesale price for the missing 2-gallon *Agastache* 'Firebird' plant size.

(c) When calculating the price for a missing:

If…	Then…
Liner Size	only compare the missing size to other liner sizes. **Example**: If the missing liner size is 72-200 cells/tray, the nearest size is 37-71 cells/tray ("equally-distant" does not apply). 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. If the missing liner size is <3" – 36 cells/tray, the nearest size is 37-71 cells/tray ("equally distant" does not apply).
Pot Size	calculate the price based on (7)(a) above, as there will not be two equally-distant prices as stated in (7)(b). The nearest size to the missing pot size is the next larger size listed in the catalog.

56 Basis for Indemnification

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.

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.

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:

(1) assure proper credit of losses counting toward the basic unit CYD; and

(2) avoid exceeding the total amount of insurance for the basic unit and overpayment of an indemnity.

57 Establishing FMV-A

Market value establishment of nursery plants differs 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 that represents the values reported on the PIVR the insured submits, which includes the plant type, 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.

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, or a CIVR, 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.

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.

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 URF or ORF. Otherwise, any indemnity for that basic unit will be reduced by an ORF. Only verify and review sales records dated between the signature date of the PIVR and the date FMV-A is determined.

For standardization purposes, the ANSI Z60.1, published by the 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.

(1) 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 EPLPPS as a basis), for the container size listed in the standard that is appropriate for the actual plant size.

(2) 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.

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

Previous years' nursery wholesale records, pending sales contracts (as supported by previous sales records), and actual catalogs can be used to support nursery operation practices previously and currently carried out, as determined by the AIP.

FMV-A is established using the following, as applicable:

(1) the lower of the insured's catalog price or the EPLPPS price for the size attained (container size for container grown plants or height/width/caliper for field grown plants);

(2) the NGPE; and

(3) 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.

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, by plant type, or by non-contiguous land. 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 0001-0001 BU FMV-A is $130,000, unit 0002-0001 BU FMV-A is $120,000 and an unreported plant type FMV-A is $100,000.

57 Establishing FMV-A (Continued)

Step	Action
1	Sum FMV-A for all reported units. **Example:** $130,000 + $120,000 = $250,000
2	Divide FMV-A for each unit by step 1 to calculate the proration factor to be used for each unit. **Example:** $130,000 ÷ $250,000 = 0.520 factor for unit 0001-0001 BU $120,000 ÷ $250,000 = 0.480 factor for unit 0002-0001 BU
3	Multiply FMV-A for the unreported unit by step 2 for each reported unit. **Example:** $100,000 x 0.520 = $52,000 added to unit 0001-0001 BU $100,000 x 0.480 = $48,000 added to unit 0002-0001 BU
4	Assign the prorated amount of FMV-A (step 3) for the unreported unit to the corresponding FMV-A for each reported unit. **Example:** $130,000 + $52,000 = $182,000 entered in item 27 of the Production Worksheet for unit 0001-0001 BU $120,000 + $48,000 = $168,000 entered in item 27 of the Production Worksheet for unit 0002-0001 BU

58 Establishing FMV-B

The SP define how to determine insurable value of damaged plants that are accepted for coverage and will fully recover at some time after the loss occurrence, which is calculated as follows:

Step	Action
1	Determine the number of months required for the plant to reach the stage of growth at which damage occurred. **Example:** 3-gallon *Hibiscus Syriacus* 'Morning Star' is in the 24-month stage of growth on July 1st when the damage occurred.
2	Determine the number of months required for the plant to recover to the stage of growth at which damage occurred. **Example:** Adjuster determined it is going to take 10 months for the *Hibiscus Syriacus* 'Morning Star' to recover to the pre-damaged stage (the plant will return to the pre-damaged stage on May 1st).
3	Divide the result of step 2 by the result of 1. **Example:** Divide the estimated 10-month recovery time by the 24-month stage of growth: 10 ÷ 24 = 0.42 (42 percent) damaged.
4	Subtract the result of step 3 from 1.000. **Example:** 1.000 - 0.42 = 0.58 (58 percent) undamaged

Step	Action
5	Multiply the result of step 4 by the insurable plant price. **Example:** 0.58 (58 percent) x $9.90 = $5.74

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, unless the plant value is reduced further by an additional loss event.

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.

The indemnity for an insured plant still in recovery from a first loss event when a second loss event occurs is calculated as follows:

Step	Action
1	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; and (5) The amount of FMV-B for the plant after the first damage occurred.
2	Information required for the second loss event: (1) The number of months the plant required to reach its pre-damaged stage of growth; (2) The number of months estimated for the plant's full recovery after the second loss event; (3) The number of months remaining from the plants first recovery period; and (4) The FMV-B of the plant after the first damage occurred.
3	Subtract the result of step 2(3) from the result of step 2(2).
4	Divide the result of step 3 by the result of step 2(1).
5	Subtract the result of step 4 from 1.000.
6	Multiply the result of step 2(4) by the result of step 5.

Example: Calculating FMV-B when the nursery has a 3-gallon *Hibiscus Syriacus* 'Morning Star' still in the recovery phase when a second loss event occurs to the plant. Assume the 3-gallon plant was in the 24-month stage of growth just before the first loss event on July 1st occurred and the 3-gallon plant is going to take an estimated 10 months to recover with the FMV-B value of $5.74. The February 1st stage of growth for the loss event is 24 months, the same as the previous loss event. The FMV-A value price for the February 1st loss event is $5.74, which is equal to the previous FMV-B remaining value price. The adjuster determines the 3-gallon plant is going to take an estimated 8 months to recover to the 24-month pre-damaged stage of growth after the February 1st loss event.

DETERMINING THE ADDITIONAL RECOVERY TIME

		FIRST DAMAGE		SECOND DAMAGE		2nd PAYMENT
	Month	**Day**	**Estimated 10 month recovery time**	**Day**	**Estimated 8 month recovery time**	**Estimated additional recovery time**
PIVR and Catalog:	May	1st				
Insurance Attaches:	June	1st				
Damage Date:	July	1st	1			
	August		2			
	September		3			
	October		4			
	November		5			
	December		6			
	January		7			
	February		8	1st	1	
	March		9		2	
End of 1st recovery:	April	30th	10		3	
Start of 2nd recovery:	May	1st			4	1
	June				5	2
	July				6	3
	August				7	4
End of 2nd recovery:	September			30th	8	5
	October					
	November					
	December					
	January					
	February					
	March					
	April					
	May					

Calculate FMV-B for the February 1st second loss event when the nursery has 3-gallon *Hibiscus Syriacus* 'Morning Star' with prior damage remaining value of $5.74. The 3-gallon plant is in the 24-month stage of growth on July 1st when the damage occurred and the adjuster determined it is going to take 8 months for the 3-gallon plant to recover to the July 1st pre-damaged stage (the plant will return to the pre-damaged stage on October 1st). The FMV-B value of the 3-gallon plant will be determined as follows:

Step	Action
1	Divide the 5-month additional recovery time by the 24-month stage of growth. **Example:** 5 ÷ 24 = 0.21 (21 percent) damaged.
2	Subtract the result of step 1 from 1.000. **Example:** 1.000 – 0.21 = 0.79 (79 percent) undamaged.
3	Multiply the result of step 2 by the $5.74, 3-gallon *Hibiscus Syriacus* 'Morning Star' FMV-A price. **Example:** 0.79 (79 percent) x $5.74 = $4.53 FMV-B value

In establishing the total market value of the insured crop for the damaged unit, the loss adjuster must determine the value of plants that will fall into 10 groups outlined in the following table:

Group	Information
1 Plants **WITHOUT DAMAGE**	Plants without damage are valued according to the lower of the insured's best wholesale catalog price or the EPLPPS price for the appropriate container size or height/width/caliper (the same values used to establish FMV-A).
2 Plants **WITH PREVIOUS DAMAGE** prior to full recovery	Plants with previous damage are valued at the previously determined reduced value until completion of the recovery time (the same values used to establish the previous FMV-B value for the plant). Additional damage to these plants will result in an increase in the length of the recovery time and cause a further reduction in value based on the previous FMV-B value.

Group	Information
3 Damaged plants that **WILL NOT RECOVER** any time after the loss occurrence	Damaged plants that will not recover to saleable quality at ANY time after the loss occurrence will have zero value, unless the plants are to be used for propagation or otherwise salvaged. The determination that damaged plants will not recover to saleable quality at any time after the loss occurrence should be supported with photographs and opinions of nursery consultants or any other documentation that justifies the determination. The insured must follow CSREES recommended disposal methods for plants valued as zero. Any damaged plants retained by the insured (such as for propagation) must be assigned an appropriate value (must be greater than zero). Plant materials retained solely for the purpose of propagation (stock plants) are considered uninsurable; therefore, any additional damage and loss, regardless of cause, is considered uninsurable. Refer to Exhibit 7of the LAM for Certification Form requirements.
4 Damaged plants that **WILL ONLY PARTIALLY RECOVER** any time after the loss occurrence	Damaged plants that will only recover to a lower saleable value at any time after the loss occurrence will be considered salvage. The determination that the damaged plants will not recover completely to pre-damage saleable value at any time after the loss occurrence should be supported by photographs and opinions of nursery specialists or any other documentation that justifies the determination. **Example:** Assume that a damaged plant with the undamaged catalog value of $30.00 (value of the plant by the lower of the insured's catalog price or the EPLPPS price) will not recover back to its pre-damage stage of growth. The plant would be saleable only at a reduced price. The reduced plant value that can be obtained at the time of sale (e.g., $15.00) is the remaining or salvage value.

<table>
<tr><th>Group</th><th>Information</th></tr>
<tr><td>5
Damaged plants that
WILL FULLY RECOVER AT SOME TIME
after the loss occurrence</td><td>Damaged plants with the ability to recover at some time after the loss occurrence must be valued at a percentage of the value price as described in Group 1. Compute the applicable damage percentage by comparing the number of months required for the plant to recover to its pre-damage stage of growth.

Example: Assume that a plant is damaged in a quart container at a 6-month growth stage (from seedling). The undamaged catalog value is $5.00 (value of the plant in a quart-sized container). The plant will require 2 months to recover back to its current (6 month) growth stage; therefore, the remaining value would be $3.35. Calculations: 2 months / 6 months = 33% damage (months required for the plant to recover divided by time necessary to reach the stage of growth at the time of damage); 1.00 - 0.33 = 0.67 remaining value factor; $5.00 (value of the undamaged plant from the price list) multiplied by 0.67 factor = $3.35 remaining value. Similarly this method is used to evaluate field grown plants’ recovery to a pre-damage stage of growth.

If the same containerized plant had been in an oversized container (a 10-gallon container with a value [undamaged catalog value] of $25.00), FMV-A must be adjusted to reflect the proper container size for the plant -- a quart-sized container as above, as supported by The American Standard for Nursery Stock. Calculate the remaining value as above.

Damaged plants will remain insured at the reduced value (based on recovery time determined after the previous loss occurrence) until the plants fully recover to the equivalent growth stage at the time of damage. Any additional damage resulting from the insured’s failure to follow recommended damaged-plant treatment would be considered damage resulting from avoidable causes and is considered uninsurable.

The above method allows fair valuation of damaged recoverable plants. Recovery time will vary by plant species, area of the country, and growing practices of the particular nursery. If the nursery repots its plants at a stage of growth that differs from other nurseries, use discretion in determining if oversized-container procedure is to be applicable; use only when unreasonable container sizes are used.</td></tr>
</table>

Group	Information
6 **OMITTED PLANTS** That are not listed or are listed incorrectly in the catalog	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 or is listed but does not have a corresponding price in accordance with all the requirements in section 6(j) of the Nursery CP. Any plant qualifying for this category is an uninsurable plant and will not receive an indemnity. The plant will be valued as undamaged using the EPLPPS 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 PW) for the unit. Document omitted plant values in the Narrative of the PW.
7 **UNREPORTED PLANT TYPES** Type(s) are not reported for the crop year on the PIVR, revised PIVR, or Peak PIVR	Any insurable plant type for the practice grown in the nursery meeting all insurability requirements of the Nursery CP not reported on the PIVR, revised PIVR, or Peak PIVR in accordance with all the requirements in section 6 of the Nursery CP. For over-report and under-report situations, any plant qualifying for this category is an uninsurable plant and will not receive an indemnity. The plant will be valued as undamaged using the EPLPPS 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.
8 **PROHIBITED PLANTS**	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 and is uninsurable even if listed in the EPLPPS or otherwise qualifying as insurable. Further, insurance shall not attach or be provided for any plant considered a controlled substance under the provisions of the Food Security Act of 1985 (Pub. L. 99-198) and the regulations promulgated under the Act by USDA. Any plant qualifying for this category is an uninsurable plant and will not receive an indemnity. 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).

Group	Information
9 **MISSING SIZES** One nearest size price	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 catalog, but the genus, species, subspecies, variety or cultivar is listed in the catalog, 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 EPLPPS, 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 EPLPPS price, then the price used for insurance purposes is the calculated wholesale price, not the EPLPPS price. When only one plant size listed in the catalog is nearest to the size of the missing plant, calculate the proration factor using the calculation listed below: **Step** **Action** 1. Divide the price from the catalog, 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 EPLPPS for the same-sized plant as shown in the catalog to determine a proration factor (rounded to three decimal places). **Example:** At the time of loss, the *Agastache* 'Firebird' is growing in a 2-gallon container. The catalog price for a 3-gallon is \$12.00, but a price for a 2-gallon size is not listed. The EPLPPS 3-gallon price is \$15.00 and the EPLPPS 2-gallon price is \$9.00. \$12.00 ÷ \$15.00 = 0.800 proration factor 2. Multiply the EPLPPS price that corresponds to the size of the missing plant by the proration factor. **Example:** \$9.00 x 0.800 = \$7.20 wholesale price for the missing 2-gallon *Agastache* 'Firebird' plant size.

<table>
<tr><th>Group</th><th>Information</th></tr>
<tr><td>10
MISSING SIZES
Two nearest size prices</td><td>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 catalog, but the genus, species, subspecies, variety or cultivar is listed in the catalog, 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 EPLPPS, 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 EPLPPS price, then the price used for insurance purposes is the calculated wholesale price, not the EPLPPS price. When there are two plant sizes listed in the catalog equally distant to the size of the missing plant, calculate the proration factor using the calculation listed below:
Step Action
1. Add the two equally-distant prices from the catalog, or add the two upgraded plant prices if the NGPE is elected.

Example: At the time of loss, the Agastache 'Firebird' is growing in a 2-gallon container. The catalog price for a 1-gallon is $6.00 and a price for a 3-gallon is $12.00. A price for a 2-gallon is not listed. The EPLPPS 1-gallon price is $7.00, the EPLPPS 2-gallon price is $9.00, and the EPLPPS 3-gallon price is $15.00.

$6.00 + $12.00 = $18.00 catalog price

2. Add the two equally-distant prices from the EPLPPS.

Example: $7.00 + $15.00 = $22.00 EPLPPS price

3. Divide the result of step 1 by the result of step 2 to determine a proration factor (rounded to three decimal places).

Example: $18.00 ÷ $22.00 = 0.818 proration factor

4. Multiply the EPLPPS price that corresponds to the size of the missing plant by step 3 to create the missing catalog price.

Example: $9.00 x 0.818 = $7.36 wholesale price for the missing 2-gallon Agastache 'Firebird' plant size.</td></tr>
</table>

Any plant, grown in a nursery meeting all insurability requirements, not listed (by either the botanical or common name) in the catalog will be uninsurable for the crop year (will not be included in FMV-A) but the value of such plants, as determined using the EPLPPS 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 catalog but there is not a corresponding price. If the catalog is not updated on an annual basis, the insured must submit a supplement to the catalog on or before the sales closing date. The supplement must be in accordance with section 6(j) 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 catalog provided for the crop year, the insured must submit a revised catalog in accordance with section 6(j) of the Nursery CP and a revised PIVR, if applicable. The new plants will not be insurable until 30 days after such catalog is received by the AIP.

Example: For calculating the FMV-B when the nursery has omitted plants. The nursery reported unit 0001-0001 BU, valued at $150,000. At the time of loss, unit 0001-0001 BU FMV-A is $140,000 (excluding omitted plants) and FMV-B is $45,000 (excluding omitted plants). Unit 0001-0001 BU has 2 omitted plants with an undamaged FMV-A of $15,000.

Step	Action
1	Determine FMV-A and FMV-B for the plants listed in the catalog for the unit. Do not include omitted plants. **Example:** $140,000 FMV-A and $45,000 FMV-B
2	On a separate appraisal sheet determine the undamaged value FMV-A of the plant(s) omitted from the catalog for the unit. **Example:** $15,000 FMV-A the undamaged value of the plants.
3	Add amount of FMV-B determined in step 1 and the amount of FMV-A determined in step 2. **Example:** $45,000 + $15,000 = $60,000
4	Enter the results of step 3 in item 28b of the Production Worksheet. **Example:** Enter $60,000 for unit 0001-0001 BU. Document omitted plant values in the Narrative of the Production Worksheet.

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.

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 AIP and the insured concerning the damaged plant recovery time, must be included as part of the official claim file. 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.

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.

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 catalog price or the EPLPPS 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.

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.

59 Insect or Disease Claims

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.

Claims reporting insects or disease as a cause of loss must be thoroughly documented, indicating what insect/disease control practices were in place, and specialists' opinions that the insect and/or disease could not be controlled.

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

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

60 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) 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:

(i) the claim for those plants with undeterminable damage will be deferred until such time as the damage can be determined.

(ii) the insured is to maintain identity of the plants with undeterminable damage and continue to care for them until such time an accurate determination of the damage can be made.

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

(b) The adjuster will enter on a special report the following information for appraisal-deferred plants:

(i) plant name, number, and size;

(ii) date and cause of loss, the type of undeterminable damage; and

(iii) length of time for which appraisal of the plants is deferred.

(c) The adjuster will complete a final claim for plants with determinable damage at the time of initial inspection for the loss occurrence.

(i) Complete FMV-A as would be done for any normal inspection.

(ii) Complete FMV-B to reflect only those plants with determinable damage. (The appraisal-deferred plants will be included as undamaged plants in FMV-B of the Nursery Appraisal Worksheet.)

(d) After damage to the appraisal-deferred plants can be accurately determined, complete a corrected claim with actual damage amounts. (On the corrected claim the only change will be changing the undamaged status of the deferred plants, reducing FMV-B to reflect the actual damage amount for the loss occurrence; FMV-A will remain unchanged.)

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

(8) A revised PIVR must be made no later than 30 days before the end of the crop year. A timely-filed revised PIVR will be considered to be in effect 30 days after the written request unless, within the 30-day waiting period:

(a) the proposed increase was rejected in writing by the AIP; or

(b) a loss occurred on the basic unit for which the revised report was prepared.

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

61 Deviations and Modifications

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

(2) There are no pre-established modifications contained in this handbook. Refer to the LAM for more information.

62 General Information for Worksheet Entries and Completion Procedures

(1) Appraisal Worksheet instructions. The completion instructions for the required entry items on the Appraisal Worksheet in Exhibit 4 are "Substantive" (i.e., they are required).

(2) Include the AIP's name in the Appraisal Worksheet title if not preprinted on the Appraisal Worksheet or when a worksheet entry is not provided.

(3) Include the claim number on the Appraisal Worksheet (when required by the AIP), when a worksheet entry is not provided.

(4) Nursery appraisals are to be made when directed by the AIP or when a notice of damage has been received. Refer to the LAM for additional reasons for appraisals.

(5) 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).

(6) AIPs can create separate Appraisal Worksheets in order to document the values of omitted plants and unreported plants/plant types.

(7) Document all uninsured causes of loss in the remarks section.

(8) 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.

(9) For plants insured by written agreement, enter the Type Code and Storage Key in columns 15a through 15d.

(10) 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.

63-70 (Reserved)

PART 7: INDEMNITY CALCULATIONS & PRODUCTION WORKSHEET

71 General Information

Successive indemnities may be paid on the same basic unit subject to a new occurrence deductible each time. Each indemnity paid reduces the amount of insurance remaining on the basic unit.

The maximum indemnity is limited to the amount of insurance for the basic unit. When the amount of indemnity paid equals the amount of insurance, no additional coverage is available for the remainder of the crop year. However, coverage can be re-established if the nursery is restocked and a revised PIVR is completed and approved by the AIP.

Premium and FMV-A calculations for liner units are calculated using the survival factor shown on the SP.

The following paragraphs include simple basic unit examples of indemnity and rehabilitation determinations. Additional examples are contained in section 15 of the Nursery CP.

72 Liner Basic Unit Examples

A. Under-Report Situation

Step	Action	Result
A	Share	100%
B	Reported Total Value	$100,000
C	Survival Factor	90%
D	Adjusted Total Value = B ($100,000) x C (0.90)	$90,000
E	Coverage Level	75%
F	Price Election Percentage	100%
G	Amount of Insurance = D ($90,000) x E (0.75) x F (1.000)	$67,500
H	CYD = D ($90,000) x (1–E) (0.25) x F (1.000)	$22,500
	Values at the Time of Loss	
I	FMV-A	$125,000
J	Survival Factor	90%
K	Adjusted FMV-A = I ($125,000) x C (0.90)	$112,500
L	FMV-B	$80,000
M	URF = D ($90,000) ÷ K ($112,500)	0.80
N	Occurrence Deductible = Lesser of K ($112,500) x (1–E) (0.25) x M (0.80) = $22,500; or H ($22,500)	$22,500

Step	Action	Result
1	Determine the URF	M (0.80)
2	K ($112,500) – L ($80,000)	$32,500
3	$32,500 (result of Step 2) x M (0.80)	$26,000
4	$26,000 (result of Step 3) – N ($22,500)	$3,500
5	$3,500 (result of Step 4) x F (1.000)	$3,500
6	Indemnity = $3,500 (result of Step 5) x A (1.000)	$3,500

A. **Under-Report Situation (Continued)**

The amount of the CYD remaining is H ($22,500) – N ($22,500) = $0.00
The amount of insurance remaining is G ($67,500) – Indemnity ($3,500) = $64,000

If the nursery was to restock the nursery and properly complete a revised PIVR, the CYD and the amount of insurance will increase.

B. **Over-Report Situation**

Step	Action	Result
A	Share	100%
B	Reported Total Value	$100,000
C	Survival Factor	90%
D	Adjusted Total Value = B ($100,000) x C (0.90)	$90,000
E	Coverage Level	75%
F	Price Election Percentage	100%
G	Amount of Insurance = D ($90,000) x E (0.75) x F (1.000)	$67,500
H	CYD = D ($90,000) x (1–E) (0.25) x F (1.000)	$22,500
	Values at the Time of Loss	
I	FMV-A	$80,000
J	Survival Factor	90%
K	Adjusted FMV-A = I ($80,000) x C (0.90)	$72,000
L	Insured Value of the Plants listed on the Verified Sales Records	$5,000
M	FMV-B	$40,000
N	ORF = D ($90,000) ÷ (K+L) ($72,000+$5,000) – 1.100	0.07
O	Occurrence Deductible = Lesser of K ($72,000) x (1–E) (0.25) x (1+N) (1.07) = $19,260; or H ($22,500)	$19,260

Step	Action	Result
1	Determine the ORF	N (0.07)
2	K ($72,000) – M ($40,000)	$32,000
3	$32,000 (result of Step 2) x (1-N) (0.93)	$29,760
4	$29,760 (result of Step 3) – O ($19,260)	$10,500
5	$10,500 (result of Step 4) x F (1.000)	$10,500
6	Indemnity = $10,500 (result of Step 5) x A (1.000)	$10,500

The amount of the CYD remaining is H ($19,260) – O ($21,400) = $3,240
The amount of insurance remaining is G ($67,500) – Indemnity ($10,500) = $57,000

If the nursery was to restock the nursery and properly complete a revised PIVR, the CYD and the amount of insurance will increase.

A. Under-Report Situation

Step	Action	Result
A	Share	100%
B	Reported Basic Unit Value	$100,000
C	Coverage Level	75%
D	Price Election Percentage	100%
E	Amount of Insurance = B ($100,000) x C (0.75) x D (1.000)	$75,000
F	CYD = B ($100,000) x (1–C) (0.25)	$25,000
	Values at the Time of Loss	
G	FMV-A	$125,000
H	FMV-B	$80,000
I	URF = B ($100,000) ÷ G ($125,000)	0.80
J	Occurrence Deductible = Lesser of G ($125,000) x (1–C) (0.25) x I (0.80) = $25,000; or F ($25,000)	$25,000

Step	Action	Result
1	Determine the URF	I (0.80)
2	G ($125,000) – H ($80,000)	$45,000
3	$45,000 (result of step 2) x 0.80 (result of Step 1)	$36,000
4	$36,000 (result of step 3) – J ($25,000)	$11,000
5	$11,000 (result of step 4) x D (1.000)	$11,000
6	Indemnity = $11,000 (result of step 5) x A (1.000)	$11,000

The amount of the CYD remaining is F ($25,000) – J ($25,000) = $0.00

The amount of insurance remaining is E ($75,000) – Indemnity ($11,000) = $64,000

If the insured was to restock the nursery and properly complete a revised PIVR, the CYD and the amount of insurance will increase.

B. Over-Report Situation

Step	Action	Result
A	Share	100%
B	Reported Basic Unit Value	$125,000
C	Coverage Level	75%
D	Price Election Percentage	100%
E	Amount of Insurance = B ($125,000) x C (0.75) x D (1.000)	$93,750
F	CYD = B ($125,000) x (1–C) (0.25)	$31,250
	Values at the Time of Loss	
G	FMV-A	$100,000
H	Insured Value of the Plants Listed on the Verified Sales Records	$5,000
I	FMV-B	$50,000
J	ORF = B ($125,000) ÷ (G+H) ($100,000+$5,000) – 1.100	0.09
K	Occurrence Deductible = Lesser of G ($100,000) x (1–C) (0.25) x (1+J) (1.09) = $27,250; or F ($31,250)	$27,250

B. **Over-Report Situation (Continued)**

Step	Action	Result
1	Determine the ORF	J (0.09)
2	G ($100,000) – I ($50,000)	$50,000
3	$50,000 (result of step 2) x (1 – J) (0.91)	$45,500
4	$45,500 (result of step 3) – K ($27,250)	$18,250
5	$18,250 (result of step 4) x D (1.000)	$18,250
6	Indemnity = $18,250 (result of step 5) x A (1.000)	$18,250

The amount of the CYD remaining is F ($31,250) – K ($27,250) = $4,000
The amount of insurance remaining is E ($93,750) – Indemnity ($18,250) = $75,500

If the insured was to restock the nursery and properly complete a revised PIVR, the CYD and the amount of insurance will increase.

74 Completing the Production Worksheet

(1) The completion instructions for the required entry items on the PW in Exhibit 5 are "Substantive" (i.e., they are required.).

(2) The PW is a form specific to nursery loss adjustment. A separate set of PW are needed for each basic unit loss inspection; each PW can accommodate up to six plant types for units by share.

(3) If a change or correction is necessary, strike out entry and re-enter correct entries above previous entry. The adjuster and insured should initial any changes.

(4) Refer to the LAM for instructions regarding the following:

(a) delayed notices and delayed claims.

(b) corrected claims or fire losses (double coverage) and cases involving uninsured causes of loss, unusual situations, controversial claims, concealment, or misrepresentation.

(c) "No Indemnity Claims" (which must be verified by a nursery inspection or notification from the insured that the FMV-B equals FMV-A).

Any insurable loss to insurable nursery inventory will reduce the applicable CYD whether or not an indemnity is due.

(5) The adjuster is responsible for determining if the insured has complied with all of their requirements under the notice and claim provisions of the Nursery CP. If they have not, the adjuster should contact the AIP.

(6) All nursery inspections initiated through a notice of loss are considered final inspections.

(7) Specific loss calculations are discussed in the instructions for the completion of the Nursery PW. For each loss occurrence, the claim is settled on a basic unit basis.

EXHIBITS

Exhibit 1 Acronyms and Abbreviations

Approved Acronyms and Abbreviations	Term
AIP	Approved Insurance Provider
ANLA	American Nursery & Landscape Association
ANSI Z60.1	American Standard for Nursery Stock
BP	Basic Provisions
CAT	Catastrophic Risk Protection
CIVR	Crop Inventory Valuation Report
CSREES	Cooperative State, Research, Education, and Extension Service
CYD	Crop Year Deductible
CP	Crop Provisions
DSSH	Document and Supplemental Standards Handbook, FCIC-24040
EPLPPS	Eligible Plant List and Plant Price Schedule
FAD	Final Agency Determination
FCIC	Federal Crop Insurance Corporation
FMV-A	Field Market Value A
FMV-B	Field Market Value B
GSH	General Standards Handbook
LAM	Loss Adjustment Manual, FCIC-25010
NGPE	Nursery Grower's Price Endorsement
NISH	Nursery Crop Insurance Standards Handbook
ORF	Over-Report Factor
PDS	Pre-Damage Stage
PIVR	Plant Inventory Value Report
RMA	Risk Management Agency
SP	Special Provisions
URF	Under-Report Factor
XPS	Excluding Price and Share Calculation

Amount of Insurance: For the purposes of calculating premium, the result of multiplying the basic unit value by the insured's selected coverage level and by the insured's share. For the purpose of determining the amount of any indemnity, the result of multiplying the basic unit value by the insured's selected coverage level and by the insured's share minus any previous indemnities during the crop year paid under the Nursery CP.

Basic Unit Value: The full inventory value of all insurable plants in a basic unit declared on the insured's original or revised PIVR and Peak Inventory Value Report, if applicable.

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

Catalog: Any document, including but not limited to printed discount schedules, issued by the insured's nursery and used to advise actual and/or potential buyers of the amount the insured is charging for purchases of each plant included in the inventory.

(1) Such documents may be issued by season, by plant type, or other basis consistent with the insured's business practices.

(2) The documents can be in any form, but must meet the minimum standards contained in section 6(j), except that the printed discount schedules do not have to be provided to customers.

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

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

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

Crop Year Deductible: The basic unit value multiplied by the deductible minus the amount of any previously-incurred deductible if the insured reported each loss to the AIP in accordance with section 11(a)(2) of the Nursery CP. The CYD will be increased for any increases in the inventory value on the PIVR or through the purchase of a Peak Inventory Endorsement, if in effect at the time of loss.

Deductible: An amount equal to 100 percent minus the percent of coverage the insured selects.

Fabric Grow Bag: A fabric bag (including a woven or matted bag with a plastic or fabric bottom) used for growing 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: A nursery production practice in which plants are grown in the ground. Plants grown in in-ground fabric grow bags, plants that are balled and burlapped, or plants grown in containers that allow the plants to root (excluding fibrous roots) into the ground (for example, a container without a bottom) are also considered field grown.

Field Market Value A: The AIP's determination of the value of all insurable plants in the basic unit immediately prior to the occurrence of a loss event. This value will be determined in accordance with section 6 of the Nursery CP. 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 AIP's determination of the value of all damaged and undamaged insurable plants in the basic unit following the occurrence of a loss event. This value will be determined in accordance with the requirements of section 6 of the Nursery CP with an adjustment for the amount of damage the AIP determines the plants have sustained.

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:

(1) 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

(2) 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, as adjusted by any under-report factor or over-report factor. Payments made under the Rehabilitation Endorsement are not considered to be a loss.

Marketable: A plant that can be sold in a customary or secondary market for a non-zero value.

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 catalog, but the genus, species, subspecies, variety or cultivar is listed in the catalog, the wholesale price for the missing plant size will be determined using the lower of the price determined from the calculation listed in Paragraph 55.

Nursery: A business enterprise that grows the nursery plants. At least 40 percent of its gross income derived from plant sales must be 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 CYD to be used when FMV-A is more or less than the reported basic unit value. The occurrence deductible is the lesser of:

(1) the deductible multiplied by FMV-A and:

(a) in an under-report situation, multiplied by the Under-Report Factor; or

(b) in an over-report situation, multiplied by the sum of 1.000 plus the ORF in an over-report situation; or

(2) the CYD.

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 catalog. An omitted plant will be uninsurable for the crop year but the value of such plant, as determined using the EPLPPS 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 Paragraph 58.

Over-Report Factor: The factor that adjusts the insured's indemnity for over-reporting of inventory values. This factor is used to determine indemnities when the basic unit value minus the total of all previous loss is more than 110 percent of FMV-A for the same basic unit plus the insured value of plants listed on the verifiable sales records. The ORF is calculated by:

(1) the basic unit value minus the total of all previous losses;

(2) FMV-A plus the insured value of plants listed on the verifiable sales records;

(3) dividing the result of (1) by the result of (2);

(4) subtracting 1.100 from the result of (3);

i.e., [(basic unit value – total of all previous losses as adjusted by any previous under-report factor or over-report factor)/(FMV A + insured value of plants listed on the verified sales records)] – 1.100;

(5) if the result of (4) is greater than 0.000, then the result of (4) is the ORF that applies. Payments made under the Rehabilitation Endorsement will not be considered a previous loss when calculating the ORF.

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 EPLPPS.

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 means the following:

(1) the price in the catalog minus all discounts (referred to as the insured's best wholesale catalog price); or

(2) 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 and is uninsurable, even if listed in the EPLPPS or otherwise qualifying as insurable. Further, insurance shall not attach or be provided for any plant considered a controlled substance under the provisions of the Food Security Act of 1985 (Pub. L. 99-198) and the regulations promulgated under the Act by USDA. 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 Paragraph 58.

Restock: 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 that have a minimum dimension greater than or equal to 5/8 inch, unless otherwise provided by the SP, 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: A factor that adjusts the indemnity for under-reporting of inventory values. The factor is used in determining indemnities. For each basic unit, the URF is the lesser of: a) 1.000; or b) the basic unit value minus the total of all previous losses, as adjusted by any previous URF or ORF, and dividing that result by FMV-A. Payments made under the Rehabilitation Endorsement will not be considered a previous loss when calculating the URF.

***

Unreported Plant Types: For each insured practice, the insured must insure and report on the PIVR the value of all insurable plants/plant types in each unit, whether basic units by share, plant type, or non-contiguous land are elected. Any unreported plants/plant types will not be insured. Additionally, for under-report situations, 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. The plants in each unreported plant type will be listed as undamaged in the Appraisal Worksheet. If the insured can prove through purchase receipts that the nursery acquired the new plants/plant types after submitting the initial PIVR and if the plants were not contained in the catalog provided for the crop year, the nursery must submit a revised catalog in accordance with section 6(j) of the Nursery CP and a revised PIVR, if applicable. The new plants/plant types will not be insurable until 30 days after an acceptable catalog is received by the AIP. For additional information on unreported plant types, refer to Paragraphs 57 and 58.

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

Upgraded Plant Price: (NGPE) A wholesale price the insured reported on the Upgraded Plant Report that is greater than the price contained in the EPLPPS but is less than or equal to the price in the insured’s catalog.

Upgraded Plant Report: (NGPE) The report declaring the value of the upgraded plants in accordance with sections 3, 4, and 5 of the NGPE.

Verifiable Sales Records: (NGPE) Records of sales of plants that contain:

(1) the name, address, and phone number of the purchaser;
(2) the date of sale (MM/DD/YYYY); and
(3) the complete botanical or common name of the plants(s) sold, the number of plants sold, and the actual wholesale price received for each size of plant during the most recent crop year in which sales occurred.

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

Exhibit 3 Form Standards – Rehabilitation Payment Worksheet

An example rehabilitation payment worksheet that illustrates completed entry items is provided at the end of this exhibit.

Standard rehabilitation payment worksheet items are numbered consecutively below.

Element/Item Number		Description
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.
7.	Basic Unit FMV-A	Enter the appraised before-loss inventory whole-dollar value from the Nursery Appraisal Worksheet for this notice of loss.
8.	Rehabilitation Plants FMV-A	FMV-A of the plants rehabilitated.
9.	Actual Rehabilitation Costs	Actual rehabilitation cost paid by the insured and verified to be correct by the AIP.
10.	Coverage Level Percent	The coverage level percent selected by the insured.
11.	Under-Report Factor	The lesser of (a) 1.000, or (b) the Reported Basic Unit Value minus the total of all previous losses, as adjusted by any previous URF or ORF, divided by FMV-A.
12.	Previous Rehabilitation Payments Received	Enter the sum of all previous rehabilitation payments for this basic unit for the current crop year.
13.	Rehabilitation Inspection Number	Enter the number of rehabilitation inspections completed this crop year on this basic unit (e.g., 1, 2).
14.	Crop Year Rehabilitation Payment Limit	(1) Item 7 multiplied by 0.075. (2) Enter the URF (item 11). (3) Enter the Coverage Level Percent (item 10). (4) Enter the Share (item 5). Multiply the result of (1) by results in (2), (3), and (4) and round the results to whole dollars. Enter the result in item 14(A), Crop Year Rehabilitation Payment Limit Amount.

Element/Item Number	Description
15. Rehabilitation Amount Available for the Unit	(1) Enter the result of item 14(A), Crop Year Rehabilitation Payment Limit Amount. (2) Enter the amount from item 12. Subtract item (2) from item (1) and enter the result on item 15(B), Amount of Rehabilitation Remaining Prior to This Loss.
16. Basic Unit Rehabilitation Payment Trigger	(1) Enter the result of the item 7 multiplied by 0.02. (2) Enter $5,000 Select the lesser of results (1) or (2) and enter the result on item 16(C), Rehabilitation Payment Trigger Amount. If the amount entered in item 16(C) is greater than amount entered in item 9, stop calculating the rehabilitation payment as the insured does not qualify (as stated in section 2(c)(5) of the endorsement) to receive the rehabilitation payment.
17. Loss Occurrence Rehabilitation Payment Limit	(1) Enter the result item 8 multiplied by 0.075. (2) Enter the URF (item 11). (3) Enter the Coverage Level Percent (item 10). (4) Enter the Share (item 5). Multiply the result of (1) by entries in (2), (3), and (4) and round the result to whole dollars. Enter the result on item 17(D), Loss Occurrence Rehabilitation Payment Limit.
18. Adjusted Actual Rehabilitation Amount	(1) Enter the Actual Rehabilitation Costs (item 9). (2) Enter the URF (item 11). Multiply (1) by (2) and round the result to whole dollars. Enter the result on item 18(E), Adjusted Actual Rehabilitation Amount.
19. Rehabilitation Payment Amount	Select the lesser of items 15(B), 17(D), or 18(E) to obtain the maximum amount of rehabilitation payment allowable and enter the amount in item 19(F).

Element/Item Number	Description
20. Remaining Rehabilitation Amount for the Unit	(1) Enter the result of item 15(B), Amount of Rehabilitation Remaining Prior to this Loss. (2) Enter the result of item 19(F), Rehabilitation Payment Amount. Subtract item (2) from item (1), enter the result on item 20(G), Unit Rehabilitation Payment Available After This Loss.
21. Remarks	(1) Enter the date rehabilitation completed. (2) Enter the reason for any adjustment to actual rehabilitation costs. (3) Enter any other pertinent information regarding the inspection. If additional space is needed, use and attach a Special Report and refer to the attachment in the Remarks section.
22. Insured's Signature and Date	Insured's (or insured's authorized representative's) signature and date. before obtaining insured's signature, review all entries on the worksheet with the insured, particularly explaining codes, etc., which may not be readily understood.
23. Adjusters Signature, Code Number, and Date	Signature of adjuster, code number, and date signed after the insured (or insured's authorized representative) has signed. For an absentee insured, enter adjuster's code number only. The signature and date will be entered after the absentee has signed and returned the Worksheet.

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REHABILITATION PAYMENT WORKSHEET

1 INSURED'S NAME	2 POLICY NUMBER	3 CROP YEAR	4 BASIC UNIT	5 SHARE
I M INSURED	12345678	2014	0001-0001-BU	1.000

6 BASIC UNIT PIVR AMOUNT	7 BASIC UNIT FMV-A	8 REHABILITATED PLANTS FMV-A
$712,500	$750,000	$350,000

9 ACTUAL REHABILITATION COSTS	10 COVERAGE LEVEL PERCENT	11 UNDER REPORT FACTOR
$25,000	75 %	.950

12 PREVIOUS REHABILITATION PAYMENTS RECEIVED	13 REHABILITATION INSPECTION NUMBER
$18,000	2

14 Crop Year Rehabilitation Payment Limit
- (1) 7.5 % of FMV-A of the basic unit. $56,250.00
- (2) Multiplied by Under-Report Factor for the basic unit. 0.950
- (3) Multiplied by Coverage level. 75 %
- (4) Multiplied by Share. 1.000

(A) Crop Year Rehabilitation Payment Limit Amount **$40,078.00**

15 Rehabilitation Amount Available For The Unit.
- (1) Crop Year Rehabilitation Payment Limit Amount $40,078.00
- (2) Minus Previous Rehabilitation Payments Paid On The Unit $18,000.00

(B) Amount Of Rehabilitation Remaining Prior To This Loss **$22,078.00**

16 Basic Unit Rehabilitation Payment Trigger

Must be at least the lesser of:
- (1) 2 % of Basic unit FMV-A. $15,000
- (2) or $5000. $5,000

(C) Rehabilitation Payment Trigger Amount. IF (C) GREATER THAN ITEM 9 STOP **$5,000.00**

17 Loss Occurrence Rehabilitation Payment Limit
- (1) 7.5 % of FMV-A of rehabilitated plants. $26,250.00
- (2) Multiplied by Under-Report Factor for the basic unit. 0.950
- (3) Multiplied by Coverage level. 75 %
- (4) Multiplied by Share. 1.000

(D) Loss Occurrence Rehabilitation Payment Limit. **$18,703.00**

18 Adjusted Actual Rehabilitation Amount
- (1) Actual Rehabilitation Cost $25,000.00
- (2) Multiplied by Under-Report Factor for the basic unit 0.950

(E) Adjusted Actual Rehabilitation Amount. **$23,750.00**

19 Rehabilitation Payment Amount.

(F) Lesser of results of 15(B), 17(D) or 18(E). **$18,703.00**

20 Remaining Rehabilitation Amount For The Unit.
- (1) Amount of Rehabilitation Remaining Prior to this loss $22,078.00
- (2) Minus Rehabilitation Payment to be paid for this loss $18,703.00

(G) Unit Rehabilitation Payment Available After This Loss **$3,375.00**

21 REMARKS

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

An example appraisal worksheet that illustrates completed entry items is provided at the end of this exhibit. Standard appraisal worksheet items are numbered consecutively below.

Element/Item Number		Description
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.	Unit Number	(1) For an additional level of coverage, enter the unit number from the PIVR after it is verified to be correct. (2) 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). Beginning with the 2014 crop year, AIPs should assist insured's in determining the hardiness zone for their growing locations in each county using the USDA's interactive PHZM website. The applicable hardiness zone is determined by location at: USDA-ARS website, or successor website. Verify that the plant is insurable in the applicable hardiness zone for the nursery. Plants requiring cold protection are not insured against cold damage unless properly stored, as addressed on the storage key.

Element/Item Number		Description
11.	LOC County Code (continued)	If the insured's growing location(s) overlap(s) multiple hardiness zones within each county, the insured uses the warmest hardiness zone (e.g., if one growing location is in hardiness zones 9A and 9B, the grower uses hardiness zone 9B, since it is the warmer of the two hardiness zones). Document the applicable hardiness zone in the Remarks section of the appraisal worksheet (item 23).
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 Unit	Check the appropriate box: (1) by type, if insured selected basic units by type; (2) by non-contiguous land, if insured selected basic units by non-contiguous land; or (3) by share, if insured selected basic units by share. Only additional level of coverage policies may have basic units by type or by non-contiguous land. All CAT level of coverage policies have basic units by share.
14.	Plant Name	Plant genus, species, and cultivar as listed in the EPLPPS 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).

Element/Item Number	Description
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 EPLPPS 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 EPLPPS 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 Paragraph 57). 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 EPLPPS for the same plant (e.g., a price by both caliper and height), refer to Paragraph 55, 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: (1) number of months: (a) 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 days ÷ 30 = .67 when rounded to hundredths), enter "4.67."

Element/Item Number	Description
18. Months to Recover (continued)	(b) 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." (2) "U" For undamaged plants. (3) "D" For plants completely destroyed (dead, non-salvageable). (4) "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: (1) the lower of the price in the catalog minus all discounts or the maximum price shown in the EPLPPS (identify on any hand completed forms use of the catalog price by entering an "*" after entering the price). (2) value from an approved written agreement. (3) the upgraded plant prices for the upgraded plants, when the NGPE is in effect. (4) total value of undamaged liners multiplied by the survival factor. (5) as adjusted for previous damage.

Element/Item Number	Description
21. $ Value Per Each (continued)	21b. **After Loss:** The dollar-and-cents per plant value determined by multiplying the "$ Value Per Each Before Loss" (item 21a) times "Remaining Value Factor" (item 20), rounded to whole cents. For salvage plants the dollar and cents value determined by the adjuster. 21c. **Uninsured Damage:** The reduction in per plant value due to uninsured damage, in dollar and cents, determined by the adjuster. Document the uninsured cause in the remarks and include supporting materials from any nursery specialists utilized in the determination. Salvage value will be the greater of the dollar and cent value per plant remaining as a marketable plant, or for alternate uses such as cuttings, boughs, grafts, mulch, etc., whether or not actually sold for such use.
22. Total $ Value/Line	22a. **Before Loss:** "$ Value per Each before Loss" (item 21a) multiplied by "Size/Container Number" (item 17a), to whole dollars. 22b. **After Loss:** "$ Value per Each after Loss" (item 21b) multiplied by "Size/Container Number" (item 17a), to whole dollars. 22c. **Uninsured Damage: "**$ Value per Each Uninsured Damage" (item 21c) multiplied by "Size/Container Number" (item 17a), to whole dollars.
23. Remarks	On the last page of the Nursery Appraisal Worksheet for the unit, enter: (1) date of appraisal. (2) documentation for any adjustment in plant value due to prior damage, uninsured causes, or oversized containers. (3) documentation of any salvage value assigned. (4) cause assessed for uninsured cause of loss appraisals, identified by plant. (5) any other pertinent information that pertains to the inspection. (6) documentation for any adjustment in plant value due to NGPE-approved prices used to calculate FMV-A.

Element/Item Number		Description
23.	Remarks (continued)	(7) plants 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. (8) documentation of any damaged omitted plants and damaged unreported plants/plant types. (9) applicable hardiness zone determined at: USDA-ARS website or successor Web site. If additional space is needed, use and attach a Special Report and refer to the attachment in the Remarks section.
24.	Total – This Page	Separately total the "Total $ Value/Line before Loss" (item 22a), the "Total $ Value/Line after Loss" (item 22b), and the "Total $ Value/line Uninsured Damage" (item 22c) for each Nursery Appraisal Worksheet for the unit. Enter in the appropriate column in whole dollars.
25.	Unit Total	Separately total the "Total-This Page" "Before Loss" (item 22a), **"**After Loss" (item 22b), and **"**Uninsured Damage" (item 22c), entries for all pages used for the unit. Enter each unit total in the appropriate column on the last page of the Nursery Appraisal Worksheet for the unit.
26.	Insured's Signature and Date	Insured's (or insured's authorized representative's) signature and date. before obtaining insured's signature, review all entries on the Appraisal Worksheet with the insured, particularly explaining codes, etc., which may not be readily understood.
27.	Adjuster's Signature, Code Number, and Date	Signature of adjuster, code number, and date signed after the insured (or insured's authorized representative) has signed. For an absentee insured, enter adjuster's code number only. The signature and date will be entered after the absentee has signed and returned the Appraisal Worksheet.
28.	Consultant's Name and Date	Name of consultant and date, if present and assisting with the unit appraisal.
29.	Page Number	Page number and total number of pages for the basic unit **Example:** Page 1 of 1, Page 1 of 2, Page 2 of 2, etc.

	Company:	ABC COMPANY	Claim	XXXXXXXX	

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NURSERY APPRAISAL WORKSHEET

1 INSURED'S NAME	2 POLICY NUMBER	3 UNIT NUMBER
I M INSURED	XXXXXXX	0001-0001-BU

4 CROP YEAR	5 CAUSE(S) OF DAMAGE	6 DATE OF DAMAGE	7 INSPECTION NUMBER
YYYY	FREEZE	JAN 11	1

8 PRACTICE CODE	9 WRITTEN AGREEMENT?				10 LOC STATE CODE	11 LOC COUNTY CODE	12 CAT POLICY?				13 BASIC UNITS?	SELECT ONE
008	Yes		No	X	37	115	Yes		No	X	By Type	X
											By Non-contiguous Land	
											By Share	

14 PLANT NAME (Genus/Species/Cultivar)	15a Type Code	15b Storage Key	15c Container HZ Req.	15c Container HZ Not Req.	15d Field HZ Min.	16 Field ID	17 SIZE/CONTAINER 17a Number	17b Size	18 Months to Recover (U, D, S or No. Months)	19 Months to Reach Pre-Damage Stage	20 Remaining Value Factor (100 - (18/19))	21 $ VALUE PER EACH 21a Before Loss (Value from Price Listing)	21b After Loss (21a x 20)	21c Uninsured Damage	22 TOTAL $ VALUE/LINE 22a Before Loss (17a x 21a)	22b After Loss (17a x 21b)	22c Uninsured Damage (17a x 21c)
Buxus harlandii							200	1 gal	U		100	2.40 *	2.40	0.00	480	480	0
Buxus harlandii							200	3 gal	D		0	8.25	0.00	1.03	1650	0	206
Buxus harlandii							200	3 gal	6.00	10.00	40	8.25	3.30	1.03	1650	660	206
Buxus harlandii							200	1 gal	S			2.40 *	0.60	0.30	480	120	60

23 REMARKS		22a	22b	22c
Salvage; used for propagation. Uninsured damage due to chemical damage. Hardiness Zone 7A.	24 TOTAL – This Page	4260	1260	472
Appraisal completed MM/DD/YYYY. Plant prices from approved NGPE prices.	25 UNIT TOTAL	4260	1260	472

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

Company: ABC COMPANY Claim XXXXXXXX

For Illustration Purposes Only **NURSERY APPRAISAL WORKSHEET**	1 INSURED'S NAME I M INSURED		2 POLICY NUMBER XXXXXXX	3 UNIT NUMBER 0001-0001-BU
	4 CROP YEAR YYYY	5 CAUSE(S) OF DAMAGE Tornado	6 DATE OF DAMAGE JAN 25	7 INSPECTION NUMBER 1

8 PRACTICE CODE	9 WRITTEN AGREEMENT?	10 LOC STATE CODE	11 LOC COUNTY CODE	12 CAT POLICY?	13 BASIC UNITS?	SELECT ONE
007	Yes X No	X	115	Yes No X	By Type	X
					By Non-contiguous Land	
					By Share	

14 PLANT NAME (Genus/Species/Cultivar)	15a Type Code	15b Storage Key	15c Container HZ Req.	15c Container HZ Not Req.	15d Field HZ Min. By Share	16 Field ID	17a Number	17b Size	18 Months to Recover (U, D, S or No. Months)	19 Months to Reach Pre-Damage Stage	20 Remaining Value Factor (100 - (18/19))	21 $ VALUE PER EACH 21a Before Loss (Value from Price Listing)	21b After Loss (21a x 20)	21c Uninsured Damage	22 TOTAL $ VALUE/LINE 22a Before Loss (17a x 21a)	22b After Loss (17a x 21b)	22c Uninsured Damage (17a x 21c)
EPLPPS Name	DS	R1	3-6	7-8	5		750	6 in.	U		100	4.05	4.05	0.00	3,038	3,038	0
EPLPPS Name	DS	R2	3-5	6-8	7		100	6 ft.	D		0	55.26	0.00	0.00	5,526	0	0
EPLPPS Name	DS	R1	3-5	6-8	7		250	4 ft.	12.00	18.00	33	29.25	9.65	0.00	7,313	2,413	0
EPLPPS Name	DS	R2	3-6	7-8	5		500	18 in.	S			12.45	1.00	1.00	6,225	500	500

23 REMARKS		22a	22b	22c
Salvage; used for propagation. Uninsured damage due to chemical damage. Hardiness Zone 7A.	24 TOTAL – This Page	22,102	5,951	500
Appraisal completed MM/DD/YYYY	25 UNIT TOTAL	22,102	5,951	500

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

Exhibit 5 Form Standards – Production Worksheet

An example PW that illustrates completed entry items is provided at the end of this exhibit.

Standard PW items are numbered consecutively below.

Element/Item Number	Description
1. Crop/Code #	"Nursery" (0073).
2. Basic Unit	Basic unit number from the PIVR, after it is verified to be correct.
3. Cropping Practice	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.
4. Location Description	Land location that identifies the legal description, if available, and the location of the unit (e.g., section, township, and range; FSA Farm Numbers; FSA Common Land Units (CLU) and tract numbers; GPS identifications; or Grid identifications) as applicable for the crop.
5. Date(s) of Damage	First three letters of the month(s) during which the determined insured damage occurred for the inspection and cause(s) of damage listed in item 5 below. For progressive damage, a specific date occurring within any applicable increased level of coverage (due to an upward-revised PIVR or Peak Inventory Value Report) in effect at the time damage was occurring. Include the specific date where applicable as in the case of hail damage (e.g., Aug 11). Enter additional dates of damage in the extra spaces, as needed. If more space is needed, document the additional dates of damage in the Narrative (or on a Special Report). Refer to the illustration in item 7 below.
6. Causes(s) of Damage	Name of the determined insured cause(s) of damage for this crop as listed in the LAM for the date of damage listed in item 5 above for this inspection. If it is evident that no indemnity is due, enter "No indemnity Due" and enter the insured cause of damage in the Narrative. If an insured cause(s) of damage is coded as "Other," explain in the Narrative. Enter additional causes of damage in the extra spaces, as needed. If more space is needed, document the additional determined insured causes of damage in the Narrative (or on a Special Report). Refer to the illustration in item 7 below.
7. Insured Cause %	Whole percent of damage for the insured cause of damage listed in item 6 above for this inspection. Enter additional "Insured Cause %" in the extra spaces, as needed. If additional space is needed, enter the additional determined "Insured Cause %" in the Narrative (or on a Special Report). The total of all "Insured Cause %" including those entered in the Narrative must equal 100%.

Element/Item Number		Description
7.	Insured Cause % (continued)	**Example:** Entries for items 5-7 and the Narrative, reflecting entries for multiple dates of damage, the corresponding insured causes of damage and insured cause percents: 5. Date(s) of Damage SEP 5 SEP 5 SEP 5 6. Cause(s) of Damage Hurricane Flood Hail 7. Insured Cause % 50 20 20 **Narrative:** Additional date of damage – SEP 5; Cause of Damage – Tornado; Insured Cause % – 10%
8.	Company/Agency	Name of the AIP and agency servicing the contract.
9.	Name of Insured	Name of the insured that identifies exactly the person (legal entity) to whom the policy is issued.
10.	Claim #	Claim number as assigned by the AIP.
11.	Policy #	Insured's assigned policy number.
12.	Crop Year	Four-digit crop year, as defined in the policy, for which the claim is filed.
13.	Basic Unit	Check the appropriate box: (1) by type, if insured selected basic units by type; (2) by non-contiguous land, if insured selected basic units by non-contiguous land; or (3) by share, if insured selected basic units by share. Only additional level of coverage policies may have basic units by type or by non-contiguous land. All CAT level of coverage policies must have basic units by share.
14.	Date Notice of Loss	The date the notice of damage was given for the Basic Unit in item 2. Always enter the complete Date of Notice (MM, DD, and YYYY).
15.	Assign. of Indemnity	Check the appropriate box, "Yes" only if an assignment of indemnity for nursery is in effect for the crop year; otherwise, check "No." Refer to the LAM.
16.	Transfer of Right to Indemnity	Check the appropriate box, "Yes" only if a transfer of right to an indemnity is in effect for the unit for the crop year; otherwise, check "No." Refer to the LAM.

Element/Item Number	Description
17. Companion Policies	(1) If no other person has a share in the unit (insured has 100 percent share), make no entry. (2) In all cases where the insured has less than a 100 percent share of a loss-affected unit, ask the insured if the other person sharing in the unit has a multiple-peril crop insurance contract (i.e., not crop-hail, fire, etc.). If the other person does not, enter "None." (a) If the other person has a multiple-peril contract and it can be determined that the same AIP services it, enter the contract number. Handle these companion policies according to AIP instructions. (b) If the other person has a multiple-peril crop insurance contract and a different AIP or agent services it, enter the name of the AIP and/or agent (and contract number) if known. (c) If unable to verify the existence of a companion contract, enter "Unknown," and contact the AIP for further instructions. (3) Refer to the LAM for information regarding companion contracts. Differing ownership (share) constitutes a basis for additional Basic Units for CAT level of coverage policies only.

SECTION I – IMMEDIATELY PRIOR TO THIS LOSS

18a. Basic Unit XPS Liability	This is the current Basic Unit liability, prior to reduction for percent price election and share. It is the PIVR (plus any applicable Peak Inventory Value Report), multiplied by the coverage level percent as a decimal, in whole dollars. Complete this entry on only the first page of each inspection when multiple-page Basic Unit claim forms are required.
18b. Basic Unit Previous Indemnity(ies)	Previous "Preliminary Indemnities" (item 34) calculated during previous loss occurrences for the Basic Unit. (1) For all cases if the Inspection Number equals 1 enter "0." (2) For CAT level of coverage polices, policies without Peak Inventory Endorsements, or policies with Peak Inventory Endorsements and a loss was not paid during the time a Peak Inventory Endorsement was in effect, enter the sum of all "Preliminary Indemnities" (item 34) calculated during previous loss occurrences. This figure cannot exceed the amount entered in item 18a.

Element/Item Number	Description
18b. Basic Unit Previous Indemnity(ies) (continued)	(3) For policies with an expired Peak Inventory Endorsement(s) and damage occurred and losses were calculated during the time the Peak Inventory Endorsement was in effect, enter only the amount of the Preliminary Indemnities in excess of the Preliminary Indemnity applicable to the Peak Inventory Endorsement, plus any amounts from other previous applicable Preliminary Indemnities. Complete this entry on only the first page of each inspection when multiple-page Basic Unit claim forms are required.
18c. Effective XPS Liability	"Basic Unit XPS Liability" (item 18a) minus "Basic Unit Previous Indemnities" (item 18b). For multiple page PW, because of greater than 6 plant types within the Basic Unit, enter the amount from the previous pages' column 26f, "Effective XPS Liability Remaining" (item 38). If a paid loss occurred while a Peak Inventory Endorsement was in effect and the next loss occurrence is after the Peak Inventory Endorsement expired, the remaining XPS Liability will be reduced by only the amount that is greater than the amount paid for the Peak Inventory Endorsement. One Peak Inventory Endorsement may be purchased during the crop year for each Basic Unit (an additional Peak Inventory Endorsement is available, if previous insured losses occurred and the nursery was restocked). There is a 30-day waiting period for the endorsement to become effective. It is applicable for the period stated on the Peak Inventory Value Report form after the waiting period has passed, if no loss has occurred during the waiting period and the Endorsement is accepted by the AIP. The Peak Inventory Endorsement cannot extend beyond the end of the crop year. An upward-revised PIVR is used where additional insurance coverage is purchased for the remainder of the crop year to add coverage for added nursery inventory and/or to cover restocked nursery plants after a loss. (In this handbook and on the PW, an upward-revised PIVR has been referred to as a "restock.") There is a 30-day waiting period for "restock" coverage to become effective. Coverage is not retroactive.
19a. Basic Unit CYD	It is the current Basic Unit PIVR plus revisions, and any applicable Peak Inventory Value Report(s), multiplied by (1.000 minus the coverage level percent as a decimal), in whole dollars. Complete this entry on only the first page of each inspection when multiple-page Basic Unit claim forms are required.

Element/Item Number		Description
19b.	Basic Unit Previous Occurrence Deductible	The applied Basic Unit Occurrence Deductible from previous loss occurrences for the Basic Unit. (1) For all cases if the Inspection Number equals 1 enter "0." (2) For CAT level of coverage polices, policies without Peak Inventory Endorsements, or policies with Peak Inventory Endorsements and a payable loss did not occur during the time a Peak Inventory Endorsement was in effect, enter the sum of all "Occurrence Deductibles" (item 31) applied from previous loss occurrences. This figure cannot exceed the amount entered in item 19a. (3) For policies with an expired Peak Inventory Endorsement(s) and payable loss occurred during the time the Peak Inventory Endorsement was in effect, enter only the amount of the occurrence deductible in excess of the occurrence deductible applicable to the Peak Inventory Endorsement plus any amounts from other previous applicable occurrence deductibles. Complete entry on only the first page of each inspection when multiple-page Basic Unit claim forms are required.
19c.	Effective CYD	"Basic Unit CYD" (item 19a) minus "Basic Unit Previous Occurrence Deductible" (item 19b). For multiple page PW, because of greater than 6 plant types within the same Basic Unit, enter the amount from the previous pages' column 26g, "CYD Remaining" (item 33). If a payable loss occurred while a Peak Inventory Endorsement was in effect and the next loss occurrence is after the Peak Inventory Endorsement expired, the CYD will be reduced by only the amount greater than the amount applied for the Peak Inventory Endorsement.

SECTION II – THIS LOSS

There are six item 26, "Type" columns (26a – 26f) provided on the PW. A separate PW is required for each Basic Unit. For CAT and additional level of coverage with share units and with multiple types applicable, use one column for each type insured and enter the same unit number on all the types (e.g., 0001-0001 BU, etc.) Use additional pages if the Basic Unit has more than six types insured. If Basic Units by type are applicable, use column 26a to calculate the loss. For CAT level of coverage policies and additional level of coverage policies with share units with multiple types, use columns 26a – 26f to enter information and column 26g, "Summary," to calculate the loss. Complete column 26g, "Summary" on the last PW, to document the Basic Unit loss.

Element/Item Number		Description
20a.	Inspection Number	If the inspection is due to a notice of damage, enter the number of the inspection (e.g., 1), otherwise leave blank.
20b.	Coverage Level %	Enter the coverage level percent selected by the insured.
21.	Reported Basic Unit Value	Sum the PIVR plus any Peak Inventory Value Reports in effect for the Basic Unit on the date the damage occurs; i.e., "Basic Unit XPS Liability" (Item 18a) plus "Basic Unit CYD" (item 19a).
22.	Sum of Previous Losses	The sum of all previous Basic Unit losses (difference between FMV-A and FMV-B, adjusted by the URF or 1 minus the ORF, as applicable), excluding losses attributable to a previous Peak Inventory Endorsement after expiration of the Peak Inventory Endorsement; i.e., "Basic Unit Previous Indemnity" (Item 18b) plus "Basic Unit Previous Occurrence Deductible" (item 19b) plus "Value Assessed Uninsured Cause" (item 28b) from any previous Claim Forms from the current Crop Year. Payments made under the Rehabilitation Endorsement will not be considered a previous loss when calculating the URF or ORF.
23.	Basic Unit FMV-A	Sum all FMV-As (entries in item 27) for Basic Units by share and by non-contiguous land. For additional level of coverage policies with Basic Units by type and the nursery has reported all (insurable) plant types, FMV-A and Basic Unit FMV-A will be equal. For additional level of coverage policies with Basic Units by type and the nursery has unreported (insurable) plant type(s), FMV-A of the unreported (insurable) plant type(s) will be added proportionally to FMV-A for each reported insured plant type(s) to determine the Basic Unit FMV-A item 23 entry amount when calculating item 24.

Element/Item Number	Description
24a. Under-Report Factor	The lesser of (1) 1.000, or (2) "Reported Basic Unit Value" (item 21), minus "Sum of Prev. Losses" (item 22), divided by "Basic Unit FMV-A" (item 23), and round to three decimal places (e.g., 0.775). If the NGPE applies to the Basic Unit, no upgraded plant price is used in calculating FMV-A and FMV-B for any unit, if the use of all upgraded plant prices applicable to the unit would cause the URF for the unit to be less than 0.500. FMV-A and FMV-B will be recalculated using the Nursery CP to establish the price per plant. If "Reported Basic Unit Value" (item 21) minus "Sum of Prev. Losses" (item 22) is greater than or equal to "Basic Unit FMV-A" (item 23), make no entry.
24b. Over-Report Factor	"Reported Basic Unit Value" minus "Sum of Prev. Losses" divided by ("Basic Unit FMV-A" plus insured value of the plants listed on the verified sales records) minus 1.100 and round to three decimal places (e.g., 0.775). If the result is greater than 0.000, then the result is the ORF that applies. Document the insured value of the plants listed on the verified sales records in the Narrative. ORF = (Item 21 – Item 22)/(Item 23 + insured value of the plants listed on the verified sales records)– 1.100 If the result of the above equation is less than or equal to zero, make no entry.
25. Damage Similar to Other Nurseries in the Area?	Check the appropriate box, "Yes" if amount and cause of damage due to insurable causes is similar to the experience of other nurseries in the area; otherwise "No." Explain in the Narrative.
26a.-26g. Type	Enter the two-digit alpha code and three-digit numeric code exactly as specified on the actuarial documents for the type. See the "Plant Types" definition under Exhibit 2 for a list of the codes (1) For a basic unit by plant type, the appropriate two-digit alpha code and three-digit numeric code in column 26a (i.e., BE, 057).

Element/Item Number	Description
26a.-26g. Type (continued)	(2) For a basic unit for a CAT level of coverage policy, and for a basic unit for an additional level of coverage policy with Basic Units by share, the appropriate two-digit alpha code and three-digit numeric code in columns 26a – 26f (i.e., BE, 057).
27. FMV-A	Enter the appraised before loss inventory whole-dollar value from the Nursery Appraisal Worksheet for this notice of loss. For liners the total value of undamaged liners is multiplied by the survival factor.
28a. FMV-B: Value Remaining Insured Cause	Enter the appraised after loss inventory whole-dollar value from the Nursery Appraisal Worksheet for this notice of loss, when inventory was damaged due to an insured or uninsured cause.
28b. FMV-B: Value Assessed Uninsured Cause	Enter the appraised uninsured damage inventory whole-dollar value from the Nursery Appraisal Worksheet for this notice of loss, when inventory was damaged due to an uninsured cause. Enter the total appraisal, in whole dollars: (1) use the total from the Uninsured Damage column from the Nursery Appraisal Worksheet.

Element/Item Number		Description
28b.	FMV-B: Value Assessed Uninsured Cause (continued)	(2) when Hail and Fire Exclusion is in effect and damage is from hail or fire, enter the loss in value due to hail or fire. Refer to the LAM. (3) for fire losses, if the insured also has other fire insurance (double coverage), refer to the LAM. (4) omitted plant values. The plant will be valued as undamaged using the EPLPPS price. Document omitted plant values in the Narrative of the PW.
28c.	FMV-B (Total)	Sum "Value Remaining Insured Cause" (item 28a) and "Value Assessed Uninsured Cause" (item 28b) in whole dollars.
29.	Unadjusted Loss	"FMV-A" (item 27) minus "FMV-B (Total)" (item 28c) in whole dollars.
30.	Adjusted Loss	"Unadjusted Loss" (item 29) multiplied by "Under-Report Factor" (item 24a) or 1.000 minus "Over-Report Factor" (item 24b), as applicable, rounded to whole dollars. For CAT level of coverage losses and additional level of coverage losses by share only, sum columns 26a – 26f (when two or more types are applicable) for items 27 through 30, and enter the totals in the appropriate line of column 26g, "Summary." Complete the remainder of the calculations for column 26g. An example of the PW is shown on page 75.
31.	Occurrence Deductible	For a Basic Unit, enter in whole dollars, the least of: (1) for Over-Report: FMV-A (item 27) multiplied by (100 minus Coverage Level percent), multiplied by the "Over-Report Factor" (item 24b) plus 1.000 for the unit; or for Under-Report: FMV-A (item 27) multiplied by (100 minus Coverage Level percent), multiplied by the "Under-Report Factor" (item 24a) for the unit; (2) the "Effective CYD" (item 19c); or (3) the "Adjusted Loss" (item 30).
32.	Unadjusted Indemnity	"Adjusted Loss" (item 30) minus "Occurrence Deductible" (item 31).

Element/Item Number		Description
33.	CYD Remaining	(1) For the Basic Unit, subtract the calculated "Occurrence Deductible" (item 31) from the "Effective CYD" (item 19c), and record in column 26a for Basic Units by Type and in column 26g for Basic Units by Share in whole dollars. (2) The "CYD Remaining" must be equal to or greater than zero.
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., 1.00).
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 1.00.
37.	Indemnity	The result of "Preliminary Indemnit**y**" (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 PW. (1) Explain any uninsured causes, unusual, or controversial cases. (2) 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. (3) 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. (4) Explain any errors found on the PIVR and/or Peak Inventory Value Report. (5) Explain a "No" checked in item 25. (6) 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 PW for signature.

Exhibit 5 Form Standards – Production Worksheet (Continued)

Element/Item Number	Description
39. Narrative (continued)	(7) 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. (8) Explain any delayed notices or delayed claims as instructed in the LAM. (9) Specify the type of insects or disease when the insured cause of damage or loss is listed as insects or disease. Document what insect/disease control practices were in place, and/or any specialists' opinions that the insect/disease could not be controlled. (10) Reasons why upgraded prices(s) were not used, i.e., incomplete records, URF less than 0.500. (11) 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. (12) Document the calculation for unreported plant type's proration factor. (13) Document the calculation for the plants missing from the catalog. (14) Document the calculation for PIVR reduction because of prohibited plants reported for insurance. (15) Document the calculations when the nursery has container or plant sizes growing in the nursery that are not listed in the catalog. (16) 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. (17) Document insured value of the plants listed on the verified sales records in an over-report situation. (18) Document any other pertinent information, including photographs taken as documentation.

Element/Item Number		Description
39.	Narrative (continued)	(19) Document any uninsurable plants, including omitted plant values, and add to item 28b. (20) Verify and document the applicable hardiness zone determined at: USDA-ARS website, or successor Web site.
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 PW 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 PW.
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.).

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 (Item 21 – Item 22) ÷ Item 23	
	24b Over-Report factor*** [(Item 21 – Item 22) ÷ (Item 23+ 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 URF.

** 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.

PRODUCTION WORKSHEET CALCULATION QUICK REFERENCE

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	Adjuster	Sum of 26a – 26f
28a FMV-B: Value Remaining Insured	Adjuster	Adjuster	Sum of 26a – 26f
28b FMV-B: Value Assessed Uninsured	Adjuster	Adjuster	Sum of 26a – 26f
28c FMV-B (Total):	28a + 28b*	28a + 28b*	Sum of 26a – 26f
29 Unadjusted Loss: *FMV-A – FMV-B(Total)*	27 – 28c.	27 – 28c.	Sum of 26a – 26f
30 Adjusted Loss: For Under-Report: *Item 29 X Item 24a* For Over-Report: *Item 29 X (1.000 – Item 24b)*	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) add the amount of undamaged plant's value to 28b. Document omitted plant values in the Narrative of the PW.

PRODUCTION WORKSHEET CALCULATION QUICK REFERENCE

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
28a FMV-B: Value Remaining Insured Cause:	Adjuster determined	Leave Blank
28b FMV-B: Value Assessed Uninsured Cause:	Adjuster determined	Leave Blank
28c FMV-B(Total):	28a + 28b*	Leave Blank
29 Unadjusted Loss: *FMV-A – FMV-B(Total)*	27 – 28c	Leave Blank
30 Adjusted Loss: For Under-Report: *29 X 24a* For Over-Report: *29 X (1.000 – 24b)*	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) add the amount of undamaged plant's value to 28b. Document omitted plant values in the Narrative of the PW.

Exhibit 5 Form Standards – Production Worksheet (Continued)

NURSERY PRODUCTION WORKSHEET/CLAIM FORM (FOR ILLUSTRATION PURPOSES ONLY)

1 Crop/Code #:	2 Basic Unit:	3 Cropping Practice:	4 Location Description:	8 Company:	9 Name of Insured:
NURSERY			123 WEST PINE	ABC INSURANCE COMPANY	I M INSURED
0073	0001-0001-BU	008	ANY CITY, ANY STATE	ANY CITY, ANY STATE	10 Claim #: XXXXXXXX; 12 Crop Year:
5 Date(s) of Damage:		JAN 11		Agency:	11 Policy #: XXXXXXX; YYYY
6 Cause(s) of Damage:		FREEZE		ABC AGENCY	14 Date Notice of Loss: MM DD YYYY
7 Insured Cause %:		100		ANY CITY, ANY STATE	15 Assign. of Indemnity: Yes [ ] No [X]
13 Basic Unit By: Type X		Non-contiguous Land	Share		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: *Excluding Price & Share*	$750,000	18b Basic Unit Previous Indemnity(ies): *Sum of item 34, previous losses (Exclude Indemnities applicable to Peak Inventory Endorsements)*	$0	18c Effective XPS Liability: *18a – 18b or 38 from page 1 if > 6units*	$750,000
19a Basic Unit CYD: *Inventory Value X (1.000 – Coverage Level %)*	$250,000	19b Basic Unit Previous Occurrence Deductible(s): *Sum of item 31, previous losses (Exclude Occurrence Deductible(s) applicable to Peak Inventory Endorsements)*	$0	19c Effective CYD: *19a – 19b or 33 from page 1 if > 6 units*	$250,000

SECTION II - THIS LOSS

20a Inspection Number:	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 (Item 21 – Item 22) ÷ Item 23*
1				
20b Coverage Level %: 75%	$1,000,000	$0	$875,000	24b Over-Report Factor: *[(Item 21 – Item 22) ÷ (Item 23+insured value of the plants listed on the verified sales records)] – 1.100* 0.030

25 Damage similar to other nurseries in the area?	26a Type: Alpha Code	26a Numeric Code	26b Type: Alpha Code	26b Numeric Code	26c Type: Alpha Code	26c Numeric Code	26d Type: Alpha Code	26d Numeric Code	26e Type: Alpha Code	26e Numeric Code	26f Type: Alpha Code	26f Numeric Code	26g Summary:
Yes [X] No [ ]	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): *Item 28a + Item 28b*	$560,500												
29 Unadjusted Loss: (FMV-A – FMV-B(Total) *Item 27 – Item 28c*	$314,500												
30 Adjusted Loss: Over-Report Situation: *Item 29 X Item (1 - 24b)*	$305,065												
31 Occurrence Deductible: Over-Report Situation: *Item 27 X [(100% – Item 20b) X (1 + 24b)]*	$225,313												
32 Unadjusted Indemnity: *Item 30 – Item 31*	$79,752												
33 CYD Remaining: *Item 19c – Item 31*	$24,687												
34 Preliminary Indemnity: *Lesser of item 32 or item 18c*	$79,752												
35 Percent Share:	1.000												
36 Price Election Percent:	1.00												
37 Indemnity:	$79,752												
38 Effective XPS Liability Remaining: *Item 18c – Item 34*	$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. Hardiness Zone 7A.

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

NURSERY PRODUCTION WORKSHEET/CLAIM FORM (FOR ILLUSTRATION PURPOSES ONLY)

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	9 Name of Insured: I M INSURED
5 Date(s) of Damage:	JAN 20			Agency: ABC AGENCY ANY CITY, ANY STATE	10 Claim #: XXXXXXXX; 12 Crop Year: YYYY
6 Cause(s) of Damage:	FREEZE				11 Policy #: XXXXXXX
7 Insured Cause %:	100				14 Date Notice of Loss: MM DD YYYY
13 Basic Unit By: Type X	Non-contiguous Land	Share			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: *Excluding Price & Share*	$750,000	18b Basic Unit Previous Indemnity(ies): *Sum of item 34, previous losses (Exclude Indemnities applicable to Peak Inventory Endorsements)*	$190,000	18c Effective XPS Liability: *18a – 18b or 38 from page 1 if > 6units*	$560,000
19a Basic Unit CYD: *Inventory Value X (1.000 – Coverage Level %)*	$750,000	19b Basic Unit Previous Occurrence Deductible(s): *Sum of item 31, previous losses (Exclude Occurrence Deductible(s) applicable to Peak Inventory Endorsements)*	$750,000	19c Effective CYD: *19a – 19b or 33 from page 1 if > 6 units*	$0

SECTION II - THIS LOSS

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

25 Damage similar to other nurseries in the area?	26a Type: Alpha Code	26a Numeric Code	26b Type: Alpha Code	26b Numeric Code	26c Type: Alpha Code	26c Numeric Code	26d Type: Alpha Code	26d Numeric Code	26e Type: Alpha Code	26e Numeric Code	26f Type: Alpha Code	26f Numeric Code	26g Summary:
Yes X No	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): *Item 28a + Item 28b*	$260,000		$0										$260,000
29 Unadjusted Loss: (FMV-A – FMV-B(Total) *Item 27 – Item 28c*	$240,000		$300,000										$540,000
30 Adjusted Loss: Under-Report Situation: *Item 29 X Item 24a*	$168,000		$210,000										$378,000
31 Occurrence Deductible: Under-Report Situation: *Item 27 X [(100% – Item 20b) X Item 24a]*													$0
32 Unadjusted Indemnity: *Item 30 – Item 31*													$378,000
33 CYD Remaining: *Item 19c – Item 31*													$0
34 Preliminary Indemnity: *Lesser of item 32 or item 18c*													$378,000
35 Percent Share:													1.000
36 Price Election Percent:													.55
37 Indemnity:													$207,900
38 Effective XPS Liability Remaining: *Item 18c – Item 34*													$182,000

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. Hardiness Zone 7A.

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

Exhibit 6 FCIC Container Sizes

Container sizes are determined on an actual volume basis for purposes of determining the size of the container on the EPLPPS. The FCIC container sizes and volumes are shown below.

FCIC Size Name	Gallon Measurement Minimum	Gallon Measurement Maximum	Cubic Inch Equivalent Minimum	Cubic Inch Equivalent Maximum	Includes Standard ANSI Class
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

Exhibit 7 Insurable Plant Size Limits

An additional high/wide (seedling) range is available for three plant types. To qualify for the seedling range the trees must be CE, DT or FN 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 EPLPPS price or the catalog price will be the price for each tree in the seedling range.

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

Plant Type Code	Container Size Minimum	Container Size Maximum	Field Grown Caliper Minimum	Field Grown Caliper Maximum	Field Grown High/Wide Minimum	Field Grown High/Wide Maximum
AN	POT 0.038	5 Gal & up	N/A	N/A	N/A	N/A
BE	POT 0.038	300 Gal & up	7/16 in.	6 in. & UP	18 in.	30 ft. & up
BS	POT 0.038	100 Gal & up	N/A	N/A	6 in.	12 ft. & up
CE	POT 0.038	65 Gal & up	7/16 in.	6 in. & up	Seedling	20 ft. & up
CS	POT 0.038	65 Gal & up	N/A	N/A	6 in.	12 ft. & up
DS	POT 0.038	65 Gal & up	N/A	N/A	6 in.	12 ft. & up
DT	POT 0.038	300 Gal & up	7/16 in.	6 in. & up	Seedling	20 ft. & up
FN	POT 0.038	65 Gal & up	7/16 in.	4 in. & up	Seedling	10 ft. & up
FO	POT 0.038	65 Gal & up	N/A	N/A	18 in.	25 ft. & up
GC	POT 0.038	10 Gal & up	N/A	N/A	6 in.	5 ft. & up
HP	POT 0.038	25 Gal & up	N/A	N/A	N/A	N/A
PC	POT 0.038	300 Gal & up	N/A	N/A	18 in	30 ft. & up
RO	POT 0.038	5 Gal & up	N/A	N/A	6 in.	5 ft. & up
SF	POT 0.038	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 catalog; 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 rectangular cells. If both the inch and cells per tray measurement methods are listed and priced in the insured‘s catalog, the inch measurement will take precedence. An equivalency table for the two measurement methods is included in the Base Price Table of the EPLPPS.

** 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 EPLPPS.