



HUDSON
INSURANCE GROUP®

NURSERY VALUE SELECT

OVERVIEW

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

Availability

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

Eligibility

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

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

Nursery plants may not be insurable if they:

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

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

Premium Subsidies

Coverage	50%	55%	60%	65%	70%	75%
Subsidy	67%	64%	64%	59%	59%	55%

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

KEY DATES:

AL, FL, NJ and TX:

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

All other pilot states:

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

INSURED UNITS:

Basic units are the only unit division available for NVS. However, you may further divide your basic unit into additional basic units by using one of the following methods. You may choose only one method for all your basic units.

1. Each plant category you choose to insure within an insured practice as a separate basic unit; or
2. Non-contiguous land for the field grown practice and, if allowed by the Special Provisions, for the container grown practice. You may choose to insure one or more plant categories under this additional basic unit structure.

Occurrence Loss Option

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

Insured Causes of Loss

You are protected against the following:

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

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

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

Important Claim Time Elements

Approved Sales Value – The Approved Sales Value is determined based on verifiable sales records as determined at claim time.

The insured must provide all Verifiable Sales Records from a period of 60 days prior to the date of damage or one year prior to the date of damage if there were no sales during the 60-day period. Specific scenarios may include utilizing a price specified in a contract. In the event Verifiable Sales Records are not acceptable, the claim will be denied. Refer to the NVS Pilot Crop Provisions for complete guidelines necessary to determine the Approved Sales Value as well as additional requirements in the event of a claim.

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

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

Claims Process Overview

Initial Inspection Required Record Request

Prior to determining the amount of any loss, AIPs must request and verify documentation to support pre-loss inventories of specific plants and approved sales value used to determine the pre-loss actual unit value. No indemnity will be paid for specified plants for which the documentation is inadequate, including tracking of plants for subsequent loss events.

Inventory to determine final Pre-Loss Value

- Obtained by taking an inventory (count) of the specific plants in the unit that existed before the loss event occurred; or
- Established by subtracting appropriate sales and adding appropriate purchases from the number of that specific plant as documented by the insured's records from the most recent inventory record.

Establish Post-Loss Value

Each specific plant is selected based on sample size recommendations in the Loss Adjustment Standards Handbook. The plants are then placed into categories of "undamaged," "retained damage," "discarded damage" and "dead/zero market value." A pre-determined damage factor is applied to plants falling in each respective category based on the loss procedures.

Refer to the NVS Loss Adjustment Standards Handbook for all loss adjustment requirements.

NVS vs. Nursery	Nursery Value Select	Regular Nursery Policy
Sales Closing Date	05/01/2020	05/01/2020
Insurance Attachment Wait Time	On the 31st day after the Signature Date (with all documents received).	On the 31st day after the Signature Date (with all documents received).
Hudson Nursery Inspection	Inspection with new application and no later than every 3 years.	Inspection with new application and no later than every 4 years.
DataScape® Inventory List	No inventory list is due at time of application.	Must be completed each year.
Insurance by Practice	Grower may select either Field Grown or Container Grown or both.	Grower may select either Field Grown or Container Grown or both.
Wholesale Eligibility	40% of sales must be Wholesale	40% of sales must be Wholesale
Covered Perils	Adverse Weather Conditions, fire, wildlife, earthquake, and volcanic eruption	Adverse Weather Conditions, fire, wildlife, earthquake, and volcanic eruption
CAT Coverage Offered	Yes - \$655 Administrative Fee per Practice	Yes - \$655 Administrative Fee per Practice
Additional Coverage Options	Occurrence Loss Option	Peak Inventory Endorsement Rehabilitation Endorsement (Field Grown ONLY) Nursery Growers Price Election
Perils NOT Covered	Quarantine, equipment breakdown, boycott, inability to market plants	Quarantine, equipment breakdown, boycott, inability to market plants

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