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Insurance  
Corporation

FCIC-25760 (02-2020)

**NURSERY VALUE  
SELECT PILOT  
LOSS  
ADJUSTMENT  
STANDARDS  
HANDBOOK**

**2021 and Succeeding Crop  
Years**



**RISK MANAGEMENT AGENCY  
KANSAS CITY, MO 64133**

<b>TITLE: NURSERY VALUE SELECT PILOT LOSS ADJUSTMENT STANDARDS HANDBOOK</b>	<b>NUMBER: FCIC-25760</b>
<b>EFFECTIVE DATE: 2021 and Succeeding Crop Years</b>	<b>ISSUE DATE: February 19, 2020</b>
<b>SUBJECT:</b>  <b>Provides procedures and instructions for administering the Pilot Nursery Value Select crop insurance program</b>	<b>OPI: Product Administration &amp; Standards Division</b>
	<b>APPROVED:</b>  <i>/s/ Richard Flournoy</i> <b>Deputy Administrator for Product Management</b>

**REASON FOR ISSUANCE**

The Nursery Value Select Pilot Crop Insurance Program Loss Adjustment Standards Handbook is issued and is effective for the Nursery Value Select Pilot Crop Insurance Program available beginning with the 2021 crop year.

**CONTROL CHART**

Nursery Value Select Pilot Loss Adjustment Standards Handbook							
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# PART 1 - GENERAL INFORMATION AND RESPONSIBILITIES

## 1 General Information

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### A. Purpose and Objective

The loss adjustment standards for this crop are the official standard requirements for adjusting losses in a uniform and timely manner. These standards for this crop and crop year are in effect as of the signature date for this handbook located at [www.rma.usda.gov/en/Policy-and-Procedure/Loss-Adjustment-Standards---25000](http://www.rma.usda.gov/en/Policy-and-Procedure/Loss-Adjustment-Standards---25000).

This handbook remains in effect until cancelled or superseded by reissuance of the entire handbook or selected portions (through amendments, bulletins, or FADs).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 the relevant material in either the original handbook or subsequent amendments.

### B. Related Handbooks

The following table identifies handbooks that shall be used in conjunction with this handbook.

Handbook	Relation/Purpose
GSH	Provides general insurance standards and procedures.
CIH	Provides general underwriting procedures.
LAM	Provides overall general loss adjustment (not crop-specific) process.
DSSH	Provides the form standards and procedures for use in the sales and service of crop insurance contracts.
NVS ISH	Provides instructions for underwriting nursery crops under the CP to assure uniform acceptance of nursery risks.

- (1) Terms, abbreviations, and definitions general (not crop specific) to loss adjustment are identified in the GSH and LAM.
- (2) Terms, abbreviations, and definitions specific to nursery loss adjustment and this handbook are in Exhibits 1 and 2, herein.

## 2 AIP Responsibilities

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### 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 Appraisal Worksheet and Claim Form (hereafter referred to as "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 and 4. The current Non-Discrimination Statement and Privacy Act Statement can be found on the RMA website at: [www.rma.usda.gov/About-RMA/Laws-and-Regulations/Required-Statements](http://www.rma.usda.gov/About-RMA/Laws-and-Regulations/Required-Statements), or successor website.
- (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/Policy-and-Procedure/Underwriting---24000](http://www.rma.usda.gov/Policy-and-Procedure/Underwriting---24000) or successor website.

**3-10 (Reserved)**



## PART 2 - POLICY INFORMATION

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

### 11 Insurability

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A nursery grower may insure either the field grown practice or container grown practice or both. Container and field grown plants are insured as separate crops. At additional coverage levels, a nursery grower may choose to exclude plant categories from insurance under each practice insured. All plants in each insured plant category under a practice must be insured.

- (1) If the insured selects the CAT level of coverage for a practice, all plant categories under the practice must be insured at the CAT level of coverage.
- (2) If the insured selects an additional level of coverage for a practice and elects basic units by plant category, a different coverage level may be elected for each insured plant category.
- (3) For the field grown practice only, if the insured selects an additional level of coverage, basic units by plant category or by non-contiguous land may be elected, but not both. If the insured elects basic units by non-contiguous land, the insured must select one coverage level for all the non-contiguous land units.
- (4) The NVR may be revised no more than twice during the crop year. The increased insurance will not attach until the 31<sup>st</sup> day after the AIP receives an acceptable revised NVR. The revision can only increase SVs. NVR revisions are allowed for the following situations:
  - (a) changes in the nursery (increased growing area, inventory volume, or inventory value, etc.);
  - (b) restocking after an insurable COL. The revised NVR in this case is not considered one of the two allowable revisions;
  - (c) clerical errors (The reason for the upward revision must be indicated in the Remarks section of the NVR form stating, “revised upward for clerical error correction.”);
  - (d) Due to acquisition of another nursery in the same county that did not have any crop insurance coverage on its plants. Plants of the same insured plant categories can be included in a revised NVR; however, new plant categories may not be added.
  - (e) Due to acquisition of another nursery that had crop insurance in force. The existing policy can be transferred to the buyer in accordance with the BP. The revised NVR in these situations is not considered one of the two allowable revisions.
- (5) For a new application, coverage will not attach until the later of the start date of the crop year or the 31<sup>st</sup> day after the AIP receives a signed application, NVR, and catalog, unless the AIP notifies the insured in writing that the nursery does not meet insurability requirements, or the submitted documentation is not acceptable. In that case, insurance will attach the 31<sup>st</sup> day after the AIP receives an acceptable NVR and catalog.

## 11 Insurability (Continued)

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- (6) For each subsequent crop year, coverage will begin at the same coverage level and SV on June 1 or October 1, as applicable, provided the insured has provided the required certification that there are no material changes in the NVR previously submitted.
- (7) If a carryover insured submits a new NVR by the applicable sales closing date, but the AIP notifies the insured the new NVR is unacceptable, the insured must provide an acceptable NVR within 30 days after the rejection of an unacceptable NVR has been sent. If the new NVR is still unacceptable, insurance will not attach for the crop year. If the new NVR is acceptable, insurance attaches on the 31<sup>st</sup> day after the AIP receives all documents required for an acceptable NVR.
- (8) If the carryover insured fails to submit a new NVR or fails to submit a certification that the information for the prior crop year is appropriate, insurance will not attach for the crop year.
- (9) Changes to coverage levels, SVs, insured practices, or plant categories must be requested by submitting a new NVR on or before the SCD.
- (10) Insurable plants within the practice(s) insured will be all specific plants in the insured plant categories grown in the county for which a premium rate is provided by the actuarial documents and that:
  - (a) the insured has an insurable share;
  - (b) are determined by the AIP to be acceptable;
  - (c) are grown in a nursery inspected by the AIP and determined to be acceptable;
  - (d) are grown in an appropriate medium;
  - (e) are irrigated, unless otherwise provided by the SP;
  - (f) are grown in accordance with the production and good nursery practices for which premium rates have been established;
  - (g) are grown and sold with the root system attached, unless otherwise provided in the actuarial documents;
  - (h) are not stock plants or plants being grown solely for harvest of buds, flowers, or greenery, unless otherwise provided in the actuarial documents;
  - (i) 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);
  - (j) for field grown plants, must be adapted in the hardiness zone recognized by the USDA Plant Hardiness Zone Map in which they are grown;

## 11 Insurability (Continued)

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- (k) were not damaged in a prior crop year unless such specific plants have been rehabilitated and are offered for sale at the approved sales value for the current crop year prior to insurance attaching, as accepted by the AIP; and
  - (l) for the container grown practice, are individual plants grown in standard nursery containers unless otherwise permitted by the Special Provisions.
- (11) Insurance ends at the earliest of:
- (a) the date of final adjustment of a loss when the total indemnities due equal the amount of insurance;
  - (b) removal of bare root nursery plant material from the field;
  - (c) removal of all other insured plant material from the nursery;
  - (d) midnight local time on May 31 or September 30, as applicable;
  - (e) abandonment of the crop on the unit; or
  - (f) for specific plants, when meeting the definition of discarded damaged or dead/zero market value plant.

## 12 Causes of Loss

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The insurance provided is only against unavoidable loss directly caused by specific causes of loss contained in the CP and SP. All specified causes of loss must be due to a naturally-occurring event.

### 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) Failure to carry out good nursery practices, including, if applicable, irrigation for the insured plants and, for container grown plants, failure to provide cold protection when required by the SP.

### B. Unavoidable

In accordance with section 12 of the BP, insurance is provided for unavoidable damage caused only by the following causes of loss that occurs within the insurance period:

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

## 12 Causes of Loss (Continued)

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### B. Unavoidable (continued)

- (2) fire, provided weeds and undergrowth near the plants or buildings on the insured's site are controlled by chemical or mechanical means;
- (3) wildlife;
- (4) earthquake;
- (5) volcanic eruption; or
- (6) due to a COL listed in (1) through (6) that results in:
  - (i) a loss in plant value because such plants are dead/zero market value (e.g. poinsettias that cannot be sold during the usual and recognized marketing period of November 1 through December 25);
  - (ii) failure of the irrigation water supply; or
  - (iii) 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 damage to the insured specific plants 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 methods are required for the specific plant, unless the insured has installed cold protection equipment or facilities, if required in the SP for the plant category, and:

## 12 Causes of Loss (Continued)

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### C. Excluded (continued)

- (a) there is a failure or breakdown of the cold protection equipment or facilities resulting from an insurable COL specified in section 10(a) of the CP provided the insured establishes that repair or replacement was not possible between the time of failure or breakdown and the time the damaging temperatures occurred; or
  - (b) the lowest temperature or its duration exceeded the ability of the cold protection equipment or facilities to keep the nursery 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 COL specified in section 10(a) of the CP or the SP;
  - (5) Any COL including those specified in section 10(a) of the CP or the SP, if the only damage is a failure of plants to grow to an expected size;
  - (6) Failure to follow recognized good nursery practices;
  - (7) If specified in the 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

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The following are not applicable if the CAT level of coverage is elected:

- (1) Basic Units by plant category.
- (2) Basic Units by non-contiguous land.
- (3) Hail and Fire Exclusion provisions.
- (4) Occurrence Loss Option.

## 14 Unit Division

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- (1) Unit division on a geographic basis (i.e., different sections, FSNs, etc.) is not available except as provided in paragraph 14(3)(b).
- (2) Section 34 of the Basic Provisions is not applicable.

## 14 Unit Division (Continued)

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- (3) If the insured elects additional coverage for a practice, a basic unit, as defined in section 1 of the BP, may be divided into additional basic units using one of the following methods. The insured may choose only one method for all the basic units in the insured practice.
  - (a) Each insurable plant category the insured chooses within a practice for which a premium rate is provided by the actuarial documents; or
  - (b) For the field grown practice only, the insured may elect basic units by non-contiguous land. Basic units by non-contiguous land for the container grown practice may be allowed only if specified in the SP.
- (4) The unit number assigned for a unit must be specific for that particular unit. If a basic unit is established by non-contiguous land, all insured plant categories in the unit must have the same unit number. If a loss is reported for part of a unit, the entire unit must be appraised (all plant categories within that unit must be appraised separately, even if only one plant category has been damaged).
- (5) Only the plant categories listed in the actuarial documents are insurable.
- (6) For additional level of coverage, the plant categories the insured has elected to exclude from insurance are uninsurable and not subject to adjustment in the event of a loss.

## 15 Occurrence Loss Option

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An insured with an NVS Pilot policy with additional coverage in effect may elect to obtain additional coverage through the OLO when premium rates for the option are provided in the actuarial documents. The OLO, when elected, will attach to all insured plant categories in each insured practice. The option must be elected at the time of application for new insureds or, for carryover insureds, on or before the sales closing date preceding the crop year the option is to attach. Once elected, the option is continuous. The insured or AIP may cancel the option according to the cancellation provisions of the CP.

- (1) The insured may not elect the OLO if they have elected the CAT level of coverage.
- (2) An indemnity will be due under the OLO only if the post-loss damage value is at least ten percent (10%) of the pre-loss actual unit value, unless otherwise specified in the SP.
- (3) The amount of the indemnity will be determined as follows:
  - (a) calculate the pre-loss actual unit value;
  - (b) calculate the post-loss damage value; and
  - (c) calculate the percent of loss;
  - (d) if the percent of loss is:

## **15 Occurrence Loss Option (Continued)**

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- (i) greater than or equal to ten percent (10%) of the pre-loss actual unit value (unless otherwise provided in the SP) an indemnity is payable on the unit; and
  - (ii) less than ten percent (10%) of the pre-loss actual unit value (unless otherwise specified in the SP) no indemnity will be due;
- (e) if an indemnity is determined to be payable on the unit, multiply the result of (c) by the coverage level and by the lesser of the:
- (i) the pre-loss actual unit value; or
  - (ii) the SV minus any previous loss for the basic unit; and
- (f) multiply the result of (e) by the insured's share.
- (4) Total indemnities for the crop year cannot exceed the amount of insurance.

## **16-20 (Reserved)**

## PART 3 - APPRAISALS

### 21 General Information

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Potential production will be appraised in accordance with the BP, CP, 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 (see Exhibit 6 for list of possible damages), 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 damaged or dead/zero market value plants. The insured must obtain written consent prior to 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 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 or dead/zero market value 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 or dead/zero market value 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 or dead/zero market value production, all such damage will be considered uninsurable, and the claim will be denied. Plants suffering uninsurable damage will not be considered insurable or indemnifiable if a subsequent loss occurs. Refer to the LAM for further instructions.



## **21 General Information (Continued)**

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The insured must maintain the identity of plants that

- were damaged prior to insurance attachment; or
- are damaged during the crop year due to a loss event, whether it is an insurable COL or not.

The insured must maintain an inventory including the number of all specific plants damaged and their location in the nursery and this inventory should be updated as changes in the status (e.g., death, rehabilitation, discounted sales, etc.) of individual plants occur. If requested, the insured must provide:

- (1) the most recent inventory; and
- (2) purchase and verifiable sales records from the date of the most recent inventory to the date of loss occurrence.

For container grown plants, the damaged plants may be moved to a well-defined location separate from undamaged plants. For field and container grown plants, the insured could attach uniquely numbered weather-proof, indelible labels to each damaged plant. For very high value plants, Radio Frequency Identification tags may be used for this purpose. The AIP must evaluate the proposed method of preserving identity to determine if it is acceptable.

## **22 Crop Inspection Requirements**

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

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

- (1) The opinion must be in writing, signed and dated.
- (2) The 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;

## **22 Crop Inspection Requirements (Continued)**

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- (e) the mailing and physical address of the nursery, including the county where the nursery is located;
  - (f) the date of inspection;
  - (g) the plant category(ies) inspected;
  - (h) the specific plants inspected;
  - (i) the total number of each of the specific plants in the unit inspected;
  - (j) the sample size for each of the specific plants inspected;
  - (k) the primary cause of damage claimed and the determined cause;
  - (l) the secondary cause of damage, if any;
  - (m) for damaged plants, by specific plant state:
    - (i) the type of damage sustained by the plants (Exhibit 6);
    - (ii) the percent of the damage;
    - (iii) the number of damaged plants in the sample;
    - (iv) the number of damaged plants in the sample the insured intends to retain; and
    - (v) the number of damaged plants the insured intends to discard;
  - (n) for dead/zero market value plants, by specific plant state:
    - (i) the type of damage sustained by the plants that results in considering the plant to have zero market value (Exhibit 7), and/or the basis for identifying plants that were lost, blown, or swept away by water or windstorm;
    - (ii) the number of dead/zero market value plants in the sample;
  - (o) provide the basis for the opinion (industry guidelines, state regulations, etc.), and provide all photographs of the damage, as appropriate, and documentation supporting the COL.
- (3) The AIP shall not accept written opinions that do not meet these minimum standards.

## **23 Dates**

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- (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.

## 24 Grouping Plants during Appraisals

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- (1) While performing the appraisal, an inventory must be created to establish the total number of each specific plant in the unit. A sample of each specific plant in the unit is evaluated to determine the insurable amount of undamaged, damaged and dead/zero market value plants. The damaged plants in the sample must be further divided by the insured into retained damaged and discarded damaged plants. All plants in the unit must be accounted for.
- (2) Establish the number of undamaged, retained damaged, discarded damaged, and dead/zero market value plants of each specific plant in the unit by multiplying the percentage of plants in each of these groups in the sample of the specific plant by the total number of that specific plant in the unit.
- (3) Nursery records may be used to document the nursery's inventory of undamaged plants prior to a loss after these records have been verified to be acceptable. Acceptable nursery records include purchase, planting, sale, and inventory records. Purchase and sale records must be verifiable. Verifiable purchase and sale records must show the purchase or sale of specific plants containing:
  - (a) The name and address of the purchaser;
  - (b) The date of sale; and
  - (c) The complete botanical or common name of the specific plant(s) sold, number of each of these specific plants sold, and the actual wholesale price received for each specific plant. Exclude all discounts, shipping charges, or any amounts that do not directly relate to the wholesale value of the specific plants.
- (4) A purchaser must be a disinterested third party; otherwise, the records are not acceptable. Records created by the insured after a loss are not acceptable records.
- (5) The NVS Pilot Appraisal Worksheet (Exhibit 3) is used to determine pre-loss actual unit value and post-loss damage value.

A greater than ten percent size variation within a specific plant grouping can be an indication of other problems. The adjuster will need to look for such things as differing species, poor soils, disease, insects, chemical damage, irrigation problems, etc., which may be indicative of uninsured causes of loss.

## 25 Determining Size Qualifications and Approved Sales Values

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### A. Size Qualifications

- (1) Specific plants may be measured by container size (Exhibit 11), caliper, height, or width, as per the insured's catalog.
- (2) Plants and containers that are not of a size listed in the insured's catalog will be insurable at an approved sales value prorated based on the nearest sizes listed in the catalog and their approved sales value.

**A. Size Qualifications (continued)**

- (3) Plant height does not include the height of the root ball for balled-and-burlapped plants. Plant width measurements use the width of the crown (branches and foliage).

**B. Approved Sales Value**

- (1) The approved sales value for each specific plant will be used when determining the pre-loss actual unit value and post-loss damage value.
- (2) The approved sales value for each specific plant is, in order of precedence:
  - (a) the insured's average weighted wholesale price (net of all discounts) for each specific plant within each plant category determined for, not to exceed 1.5 times the catalog price, unless otherwise specified in the Special Provisions:
    - (i) the 60-day period immediately preceding the date of the insured COL; or
    - (ii) if no sales occurred in the 60-day period immediately preceding the date of the insured COL, the 12 calendar months immediately preceding the date of the insured COL; or
  - (b) if no wholesale sales occurred for the specific plant during the 12 calendar months immediately preceding the date of the insured COL, average contract price (net of all discounts), not to exceed 1.5 times the wholesale catalog price, unless otherwise specified in the Special Provisions, for all future wholesale deliveries of the specific plant insured during the insurance period; or
  - (c) if no wholesale sales occurred for the specific plant during the 12 calendar months immediately preceding the date of the insured cause of loss or there is no contract price for future wholesale deliveries of the specific plant, then the insured's wholesale catalog price for that specific plant multiplied by the difference between 1.00 and the largest percentage discount (calculated as a percentage if the discount is recorded as a dollar amount) that the insured provides to any buyer for any quantity of any specific plant.
    - (i) If the insured's catalog does not contain all applicable discounts, the wholesale catalog price for the specific plant will be decreased by 10 percent; and
    - (ii) Notwithstanding (c), discounts will not be applied to prices for plants grown under license from the holder of a patent issued by the US Patent and Trademark Office provided the license specifically establishes the required sales price.
    - (iii) A discount stated as a dollar value relative to a specific dollar amount or a range of dollar amounts for a purchase will be converted to a percentage rate by dividing the dollar amount of such discount by the dollar amount to which such discount applies.

## 25 Determining Size Qualifications and Plant Prices (Continued)

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### B. Approved Sales Value (continued)

- (3) If no records for a specific plant exist as outlined in 2(a) or 2(b) above, the approved sales value for that specific plant will be determined by prorating the approved sales values of the nearest size of that specific plant using first 2(a) then 2(b) above.

#### Approved Sales Value Proration Procedures

Step	Action
1	Identify the nearest sizes listed in the insured's catalog for the plant identified by its complete botanical or common name. These are the reference plants.
2	Determine the approved sales value for the plants identified in 1.
3	Determine the difference in size between the larger and smaller sizes in 1 by subtracting the smaller size from the larger.
4	Determine the difference in the approved sales values determined in 2 by subtracting the smaller value from the larger.
5	Divide 4 by 3, retaining the units. This represents the approved sales value difference per size unit.
6	Determine the size difference between the specific plant and the next nearest plant from 1 by subtracting the smaller size from the larger.
7	Multiply the result of 6 by the result of 5. This is the value difference between the next nearest size plant and the specific plant.
8a	If the next nearest size plant is smaller than the specific plant, add the result of 7 to the approved sales value for the next nearest size plant.
8b	If the next nearest size plant is larger than the specific plant, subtract the result of 7 from the approved sales value for the next nearest size plant.

- (4) Plants and containers that are:
- (a) larger than the largest size listed in the insured's catalog will be insurable at the approved sales value for the largest size listed in the catalog.
  - (b) smaller than the smallest size listed in the insured's catalog will be insurable at an approved sales value prorated based on actual size and the approved sales value for the smallest size listed in the catalog for that specific plant.

## 26 Basis for Indemnification

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Claims must be submitted as "final claims," each of which will build upon the information obtained from any previous "final claims" for the unit for the crop year. Each claim reduces the amount of insurance. A claim is payable whenever the difference between the amount of loss and the occurrence deductible is greater than zero unless the OLO is in effect. When an OLO is in effect, an occurrence deductible is not applicable. When an OLO is not in effect, an occurrence deductible is applied to each instance a claim is prepared. It equals the deductible percentage multiplied by the lesser of the SV or the pre-loss actual unit value.

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 CP requires that the insured submit an NVR for each basic unit, for all growing locations within the county, which includes the insured plant category, SV, coverage level, and the insured's share.

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.

For standardization purposes, the American Standard for Nursery Stock (ANSI Z60.1), published by the AmericanHort, will be used as the plant size measurement standard for insurance purposes (Exhibit 11). When standards issued by a state or the insured's catalog are in conflict with ANSI Z60.1 standards, the ANSI Z60.1 standards will prevail for insurance purposes.

- (1) Pre-loss actual unit value of plants grown in containers that are oversized relative to the current physical size of the plant will be adjusted for the container size listed in the insured's catalog 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 specific plant in the insured's catalog 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 growth medium, including removal from the soil or aquatic medium for field grown plants.

Copies of the ANSI Z60.1 are available online at no cost at <https://hort.ifas.ufl.edu/woody/american-standard.shtml> or its successor.

- (3) Pre-loss actual unit value is established using the following, as applicable:
  - (a) The approved sales value for each specific plant is calculated as described in paragraph 25.
  - (b) The number of each specific plant in the unit prior to the loss.
    - (i) If possible, this number is to be obtained by taking an inventory (count) of the specific plants in the unit that existed before the loss event occurred.
    - (ii) Alternatively, this number may be 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.
      - (A) the purchase records must be verifiable.
      - (B) the inventory record must have been produced prior to the loss, be dated, be the most recent available, and be certified by the insured as such.

## 27 Establishing Pre-Loss Actual Unit Value (Continued)

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- (4) If plants have disappeared due to an insurable COL (hurricane, tornado, flood, etc), obtain records from the insured to establish the number of such plants and include that number in the totals for each specific plant.

Step	Action
1	Determine the number of each specific plant that was in the unit immediately prior to the occurrence of the COL. Include plants that have disappeared.
2	Multiply the approved sales value for each insured specific plant by the number of that specific plant in the unit.
3	Sum all the values obtained in step 2.

## 28 Establishing Post-Loss Damage Value

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Refer to the CP for definitions of damaged plant, discarded damaged plant, retained damaged plant, and dead/zero market value plant. Additional guidance is found in Exhibits 6 and 7. In determining the post-loss damage value, AIPs must use the same approved sales value for specific plants that was used to determine pre-loss actual unit value (paragraph 27).

Damage factors for establishing the post-loss damage value are in the SP and Exhibit 7. Refer to Exhibits 6 and 7 for more information on post-loss damage value determinations.

The loss adjuster performs all the actions in the table below for each specific plant, except for the following decisions, which are made by the insured:

- (1) determining the number of damaged plants (if applicable) within each sample population that are to be retained or are to be discarded in all plant categories except Liners and Annual Plants; and
- (2) any decision to consider plants undamaged that were determined by the loss adjuster to be dead/zero market value in Liners and Annual Plants Plant Categories.

## 28 Establishing Post-Loss Damage Value (Continued)

Step	Action
1	Use the number of each specific plant that was used to determine pre-loss actual unit value.
2	For each specific plant the adjuster uses the value from step 1 above and the table in Exhibit 8 to determine the appropriate minimum representative sample size.
3	The adjuster selects representative samples for each specific plant. See the pre-established modification (paragraph 32) for dealing with plants whose damage is markedly different to address populations or sub-populations that are lost, blown away or swept away by flood.
4	For each sample, the adjuster then sorts sampled plants from step 3 into one of three groups: (a) undamaged plants; (b) damaged plants; and (c) dead/zero market value plants.
5	For each sample, the insured determines which, if any, of the plants identified by the adjuster as dead/zero market value plants will be moved to the retained damaged plants category.  For each sample, the insured determines which, if any, of the plants identified by the adjuster as damaged plants will be retained damaged plants and which will be discarded damaged plants.
6	For each sample, the adjuster multiplies the appropriate damage factor from the SP by the approved sales value and by the number of plants in the sample that are: (a) undamaged plants; (b) retained damaged plants; (c) discarded damaged plants; and (d) dead/zero market value plants.
7	For each sample, the adjuster sums the results from step 6.
8	For each sample, the adjuster divides the product of the approved sales value and the number of sampled plants by the result of step 7 to obtain an average value per plant in the sample.
9	For each sample, the adjuster multiplies the result from step 8 by the product of the approved sales value and the number of that specific plant (including missing plants) in the unit.
10	The adjuster sums the results of step 9 for all specific plants in the unit to establish the post-loss damage value for the unit.



## 28 Establishing Post-Loss Damage Value (Continued)

Use the following to address issues with plants that require special attention during the loss adjustment procedures.

Group	Information
Plants damaged in an earlier occurrence by an insured COL during the crop year that were retained.	Plants with previous damage that occurred during the crop year are insurable in the event of a subsequent loss within the same crop year. Insureds must maintain the identity of such plants. Insureds are limited to receiving the remaining value (50% damage factor) from the previously-damaged plant.
Omitted plant: Specific plants in an insured plant category not listed in the catalog.	<p>If the complete botanical or common name is missing, but the genus, species or a common name (ignoring the variety, cultivar, or color) <b>is</b> listed in the catalog, use the lowest approved sales values for plants in that broader grouping.</p> <p>If the complete botanical or common name is missing and the genus, species or a common name (ignoring the variety, cultivar, or color) <b>is not</b> listed in the catalog, the plant is uninsurable and not included in either the pre-loss actual unit value or the post-loss damage value.</p> <p>If the plant size is missing, use the pro-rata procedures in paragraph 25B(3) to establish an approved sales value.</p>
Plants in uninsured plant categories.	All specific plants in plant categories the insured has elected not to insure are uninsurable. Neither pre-loss unit value nor post-loss damage value is calculated for these plant categories. If there is any doubt about a plant belonging to a plant category, consult an expert. Refer to the SP and USDA Plants website for guidance: <a href="https://plants.sc.egov.usda.gov/java/">https://plants.sc.egov.usda.gov/java/</a> .
Prohibited plants.	<p>A prohibited plant is any plant classified by any government entity as illegal to grow or sell in the county in which the nursery is located and is uninsurable, even if otherwise qualifying as insurable, and will not receive an indemnity.</p> <p>Insurance shall not attach to 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.</p> <p>If during any inspection or settlement of a claim, it is determined that prohibited plants are being grown, reduce the pre-loss unit value and post-loss damage value of any affected unit by the value of the prohibited plant(s).</p>

- (1) The inability to market plants in the primary market and at the time the plants would normally be marketed is not a separate and distinct COL.

## **28 Establishing Post-Loss Damage Value (Continued)**

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- (2) The customers' failure to purchase nursery stock is not an insured COL. The policy only covers damage to the plant due to an insured COL that occurs within the insurance period.
- (3) If the plants are not damaged, there is no indemnifiable loss even if no one is willing to purchase the plants.
- (4) Any plant grown for a niche market (such as poinsettia for Christmas) that is damaged by an insured COL and due to such damage will not be a marketable plant within that niche marketing period may be considered to have zero market value. A niche market applies only to a very narrow selection of plants (e.g., poinsettias, Easter lilies, poppies, etc.) that generally cannot be sold after a specific time during the year. Plants grown under contract for delivery are not, by themselves, considered plants grown for a niche market.
- (5) Propagation plants (such as "stock" plants grown solely for cuttings, budding or grafting, air-layering, seed production, etc.) that are not offered for wholesale by the nursery are not insurable. "Stock" plants grown for sale are insurable at their appropriate approved sales value. For operations producing stock plants for propagation and sale, all such plants must be insured as plants for sale.
- (6) The inability to market plants solely due to marketing conditions (such as an over-supply, lack of demand, quarantine, etc.) is not an insurable COL.

## **29 Insect or Disease Claims**

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The 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 COL must be thoroughly documented, indicating what insect/disease control practices were utilized, and experts' opinions that the insect and/or disease could not be controlled.

Plants with a disease for which there is no effective control measure must be destroyed and that destruction verified before a claim for indemnity can be finalized. Such plants are considered to have zero market 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.

## **30 Cold-Related Claims**

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The CP specify that insurance is not provided against any loss caused by cold temperatures if cold protection methods are required for the specific plant, unless the insured has installed appropriate cold protection equipment or facilities.

### **30 Cold-Related Claims (Continued)**

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An indemnifiable claim for cold damage must be documented by:

- (1) Recording the cold event that caused the loss.
- (2) Recording how the appropriate cold protection method was verified, either by:
  - (a) Protection of specific plants in a plant category by means equal to or greater than those specified in the SP (protection methods can be found in Exhibits 9 and 10) or
  - (b) Testimony from a CSREES officer or other appropriate expert.
- (3) Recording the nature of the cold damage observed, including:
  - (a) dead foliage;
  - (b) split branches;
  - (c) split bark on the trunk or scaffold branches;
  - (d) damaged apical meristems; or
  - (e) other appropriate damage verified by testimony from an CSREES officer or other appropriate expert.

When required appropriate cold protection has been used for only part of an otherwise specific plant inventory requiring cold protection, only those plants having the proper cold protection are considered insurable against cold damage. Only the value (with appropriate damage factor applied) of those plants for which proper cold protection was applied are included in the post-loss damage value. The value of all the plants with and without proper cold protection are included in the pre-loss actual unit value.

Failure or breakdown of the cold protection equipment or facilities resulting from an insurable COL is an insurable cause of loss provided the insured can establish that repair or replacement was not possible between the time of failure or breakdown and the time the damage occurred.

The COL reported for plants damaged by cold at temperatures above 32°F may be reported as “freeze” per the LAM.

### **31 Special Considerations/Case Procedure**

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- (1) Liners and containers containing multiple species are NOT insurable.
- (2) 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 this requirement, 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).

### 31 Special Considerations/Case Procedure (Continued)

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- (3) Grafted or budded plants are considered to be viable once the graft or bud union has formed. The approved sales value for grafted or budded plants will need to be prorated (paragraphs 25B(3) and 25B(4)) if damage occurs prior to reaching a marketable size.
- (4) 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 NOL 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. Specific plants that were damaged in a prior crop year are not insurable unless rehabilitated and offered for sale at the approved sales value prior to insurance attachment for the subsequent crop year.
- (5) 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.
- (6) If the AIP receives timely NOL on a unit, and 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, then:
  - (a) as provided in section 11 of the 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 indeterminable damage will be deferred. The AIP is to advise the insured that:
    - (i) the claim for those plants with indeterminable damage will be deferred until such time as the damage can be determined, but no later than one year after the end of the insurance period for the crop year in which the damage occurred.
    - (ii) the insured is to maintain identity of the plants with indeterminable 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, then the amount of damage to plants with indeterminable 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) specific plant and quantity;
    - (ii) date and COL, the type of indeterminable 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 pre-loss actual unit value as would be done for any normal inspection.

### **31 Special Considerations/Case Procedure (Continued)**

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- (ii) complete post-loss damage value as would be done for any normal inspection, treating the appraisal-deferred plants as undamaged plants.
- (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 changes will be the undamaged status of the deferred plants and increasing the post-loss damage value to reflect the actual damage amount for the loss occurrence. Pre-loss actual unit value will remain unchanged.

A corrected claim must be completed prior to completing a claim for a subsequent loss if the:

- (i) appraisal-deferment crosses from one crop year into the next and the plants are subsequently determined to have been undamaged, the insured must report the appraisal-deferred plants on the NVR at full value prior to the damage in order for the insured to have full coverage.
  - (ii) plants are found to be damaged plants at the time of the corrected claim, the AIP will reduce the NVR by the sum of the appropriate approved sales value of each specific plant by the appropriate number of the damaged specific plant.
- (7) A revised NVR must be made no later than 30 days before the end of the crop year. A timely-filed revised NVR will be in effect 30 days after the written request to change coverage 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 unit for which the revised report was prepared.

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 NVR according to instructions provided by the AIP.

### **32 Deviations and Modifications**

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- (1) Deviations in appraisal methods require FCIC written authorization (as described in the LAM) prior to implementation.
- (2) A pre-established modification to this handbook allows AIPs to change the sampling protocol if the damage within the population of a specific plant is markedly different. Under this modification, the adjuster may first divide the population of the specific plant into sub-populations that are uniformly affected. Each sub-population is sampled according to the prescribed sampling protocol from paragraph 28. The procedures set forth in paragraph 28 must be followed for each of the sub-populations.

For example: 1,000 specific plants are divided into two sub-populations of 200 and 800 plants because of markedly different damage.

### 32 Deviations and Modifications (Continued)

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- 25 plants are sampled in the population of 200: 24 plants are undamaged and 1 plant is determined to be retained damaged.
- 40 plants are sampled in the population of 800: 1 plant is determined to be undamaged, 4 plants are determined to be retained damaged, 5 plants are determined to be discarded damaged and 30 plants are determined to be dead/zero market value.

The respective number of plants in each of these four groups in the entire specific plant population are:

Undamaged	$(24/25)*200 + (1/40)*800 =$	$192 + 20 = 212$
Retained Damaged	$(1/25)*200 + (4/40)*800 =$	$8 + 80 = 88$
Discarded damaged	$(0/25)*200 + (5/40)*800 =$	$0 + 100 = 100$
Dead/Zero Market Value	$(0/25)*200 + (30/40)*800 =$	$0 + 600 = 600$

Refer to the LAM for more information about modifications.

### 33 General Information for Worksheet Entries and Completion Procedures

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- (1) The completion instructions for the required entry items on the Appraisal Worksheets in Exhibits 3 and 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 insured specific plant in each insured plant category within a basic unit.
- (6) Document all uninsured COLs in the Remarks section.
- (7) Verification for all cold-related claims is required. Include in the Remarks section or on a separate sheet, if necessary.
- (8) Document different specific plants in the plant category on the Appraisal Worksheets.
- (9) A separate Appraisal Worksheet is required for each insured plant category in each basic unit inspected.

### 34-40 (Reserved)

## **PART 4 - INDEMNITY CALCULATIONS & PRODUCTION WORKSHEET**

### **41 General Information**

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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 increased or re-established if the nursery is restocked and a revised NVR is completed and approved by the AIP.

## 42 Indemnity Calculation Examples

### Example 1. First Claim CAT Coverage Pre-loss Actual Unit Value Less than SV

Step	Action	Result
<b>Established with the Application</b>		
A	Enter share as a decimal percentage	1.0000
B	Coverage Level = for CAT coverage, enter 0.50 <b>OR</b> for additional coverage, enter the elected coverage level	0.50
C	Deductible percentage = 1.00 - B	0.50
D	Price = for CAT coverage, enter 0.55 <b>OR</b> for additional coverage, enter 1.00	0.55
E	Enter SV	\$100,000
F	Initial amount of insurance = A x B x D x E	\$27,500
G	CYD = C x E	\$50,000
H	If the OLO is not elected, leave blank <b>OR</b> If the OLO is elected, enter 0.10 or the appropriate decimal OLO trigger value from the SP	
<b>Values at the Time of Loss</b>		
I	Enter Pre-loss Actual Unit Value	\$80,000
J	Enter Post-loss Damage Value	\$60,000
K	Percent of Loss = (J / I)	0.75
L	Total amount from previous loss occurrences* *excluding price and share	
M	Total amount of any previous indemnity payments	
N	Total amount of any previous occurrence deductibles	
O	Occurrence Deductible = The lesser of (G - N) or (C x I)	\$40,000
P	<b>CAT</b> Indemnity = lesser of (F-M) or (((lesser of I or (E - L)) x K) - O) x A x D	\$11,000
Q	<b>Additional Coverage WITHOUT OLO</b> Indemnity = lesser of (F-M) or (((lesser of I or (E - L)) x K) - O) x A x D	
R	<b>Additional Coverage WITH OLO</b> Indemnity = lesser of (F-M) or (A x K x B x (lesser of I or (E - L)))	
S	Remaining amount of insurance (F-M-P)	\$16,500



**42 Indemnity Calculation Examples (Continued)**

**Example 2. First Claim Additional Coverage without OLO  
Pre-loss Actual Unit Value Less than SV**

Step	Action	Result
<b>Established with the Application</b>		
A	Enter share as a decimal percentage	1.0000
B	Coverage Level = for CAT coverage, enter 0.50 <b>OR</b> for additional coverage, enter the elected coverage level	0.75
C	Deductible percentage = 1.00 - B	0.25
D	Price = for CAT policies 0.55 <b>OR</b> for additional coverage enter 1.00	1.00
E	Enter SV	\$100,000
F	Initial amount of insurance = A x B x D x E	\$75,000
G	CYD = C x E	\$25,000
H	If the OLO is not elected, leave blank <b>OR</b> If the OLO is elected, enter 0.10 or the appropriate decimal OLO trigger value from the SP	
<b>Values at the Time of Loss</b>		
I	Enter Pre-loss Actual Unit Value	\$80,000
J	Enter Post-loss Damage Value	\$60,000
K	Percent of Loss = (J / I)	0.75
L	Total amount from previous loss occurrences* *excluding price and share	
M	Total amount of any previous indemnity payments	
N	Total amount of any previous occurrence deductibles	
O	Occurrence Deductible = The lesser of (G - N) or (C x I)	\$20,000
P	<b>CAT</b> Indemnity = lesser of (F-M) or (((lesser of I or (E - L)) x K) - O) x A x D	
Q	<b>Additional Coverage WITHOUT OLO</b> Indemnity = lesser of (F-M) or (((lesser of I or (E - L)) x K) - O) x A x D	\$40,000
R	<b>Additional Coverage WITH OLO</b> Indemnity = lesser of (F-M) or (A x K x B x (lesser of I or (E - L)))	
S	Remaining amount of insurance (F-M-Q)	\$35,000

42 Indemnity Calculation Examples (Continued)

**Example 3. First Claim Additional Coverage without OLO  
Pre-loss Actual Unit Value More than SV**

Step	Action	Result
<b>Established with the Application</b>		
A	Enter share as a decimal percentage	1.0000
B	Coverage Level = for CAT coverage, enter 0.50 <b>OR</b> for additional coverage, enter the elected coverage level	0.75
C	Deductible percentage = 1.00 - B	0.25
D	Price = for CAT coverage, enter 0.55 <b>OR</b> for additional coverage, enter 1.00	1.00
E	Enter SV	\$100,000
F	Initial amount of insurance = A x B x D x E	\$75,000
G	CYD = C x E	\$25,000
H	If the OLO is not elected, leave blank <b>OR</b> If the OLO is elected, enter 0.10 or the appropriate decimal OLO trigger value from the SP	
<b>Values at the Time of Loss</b>		
I	Enter Pre-loss Actual Unit Value	\$160,000
J	Enter Post-loss Damage Value	\$100,000
K	Percent of Loss = (J / I)	0.63
L	Total amount from previous loss occurrences* *excluding price and share	
M	Total amount of any previous indemnity payments	
N	Total amount of any previous occurrence deductibles	
O	Occurrence Deductible = The lesser of (G - M) or (C x I)	\$25,000
P	<b>CAT</b> Indemnity = lesser of (F-M) or (((lesser of I or (E - L)) x K) - O) x A x D	
Q	<b>Additional Coverage WITHOUT OLO</b> Indemnity = lesser of (F-M) or (((lesser of I or (E - L)) x K) - O) x A x D	\$38,000
R	<b>Additional Coverage WITH OLO</b> Indemnity = lesser of (F-M) or (A x K x B x (lesser of I or (E - L)))	
S	Remaining amount of insurance (F-M-Q)	\$37,000

**42 Indemnity Calculation Examples (Continued)**

**Example 4. Second Claim Additional Coverage without OLO  
Cumulative Pre-loss Actual Unit Values More than SV**

Step	Action	Result
<b>Established with the Application</b>		
A	Enter share as a decimal percentage	1.0000
B	Coverage Level = for CAT coverage, enter 0.50 <b>OR</b> for additional coverage, enter the elected coverage level	0.75
C	Deductible percentage = 1.00 - B	0.25
D	Price = for CAT coverage, 0.55 <b>OR</b> for additional coverage, enter 1.00	1.00
E	Enter SV	\$100,000
F	Initial amount of insurance = A x B x D x E	\$75,000
G	CYD = C x E	\$25,000
H	If the OLO is not elected, leave blank <b>OR</b> If the OLO is elected, enter 0.10 or the appropriate decimal OLO trigger value from the SP	
<b>Values at the Time of Loss</b>		
I	Enter Pre-loss Actual Unit Value	\$80,000
J	Enter Post-loss Damage Value	\$60,000
K	Percent of Loss = (J / I)	0.75
L	Total amount from previous loss occurrences* *excluding price and share	\$38,000
M	Total amount of any previous indemnity payments	\$38,000
N	Total amount of any previous occurrence deductibles	\$20,000
O	Occurrence Deductible = The lesser of (G - N) or (C x I)	\$5,000
P	<b>CAT</b> Indemnity = lesser of (F-M) or (((lesser of I or (E - L)) x K) - O) x A x D	
Q	<b>Additional Coverage WITHOUT OLO</b> Indemnity* = lesser of (F-M) or (((lesser of I or (E - L)) x K) - O) x A x D *cannot exceed remaining amount of insurance from previous loss	\$27,750
R	<b>Additional Coverage WITH OLO</b> Indemnity* = lesser of (F-M) or (A x K x B x (lesser of I or (E - L))) *cannot exceed remaining amount of insurance from previous loss	
S	Remaining amount of insurance (F-M-Q)	\$0

42 Indemnity Calculation Examples (Continued)

**Example 5. First Claim Additional Coverage with OLO  
Pre-loss Actual Unit Value Less than SV**

Step	Action	Result
<b>Established with the Application</b>		
A	Enter share as a decimal percentage	1.0000
B	Coverage Level = for CAT coverage, enter 0.50 <b>OR</b> for additional coverage, enter the elected coverage level	0.75
C	Deductible percentage = 1.00 - B	0.25
D	Price = for CAT coverage, 0.55 <b>OR</b> for additional coverage, enter 1.00	1.00
E	Enter SV	\$100,000
F	Initial amount of insurance = A x B x D x E	\$75,000
G	CYD = C x E	\$25,000
H	If the OLO is not elected leave blank <b>OR</b> If the OLO is elected, enter 0.10 or the appropriate decimal OLO trigger value from the SP	0.10
<b>Values at the Time of Loss</b>		
I	Enter Pre-loss Actual Unit Value	\$80,000
J	Enter Post-loss Damage Value	\$60,000
K	Percent of Loss = (J / I)	0.75
L	Total amount from previous loss occurrences* *excluding price and share	
M	Total amount of any previous indemnity payments	
N	Total amount of any previous occurrence deductibles	
O	Occurrence Deductible = The lesser of (G - N) or (C x I)	\$20,000
P	<b>CAT</b> Indemnity = lesser of (F-M) or (((lesser of I or (E - L)) x K) - O) x A x D	
Q	<b>Additional Coverage WITHOUT OLO</b> Indemnity = lesser of (F-M) or (((lesser of I or (E - L)) x K) - O) x A x D	
R	<b>Additional Coverage WITH OLO</b> Indemnity = lesser of (F-M) or (A x K x B x (lesser of I or (E - L)))	\$45,000
S	Remaining amount of insurance (F-M-R)	\$30,000

**42 Indemnity Calculation Examples (Continued)**

**Example 6. Second Claim Additional Coverage with OLO  
Cumulative Pre-loss Actual Unit Value More than SV**

<b>Step</b>	<b>Action</b>	<b>Result</b>
<b>Established with the Application</b>		
A	Enter share as a decimal percentage	1.0000
B	Coverage Level = for CAT coverage, enter 0.50 <b>OR</b> for additional coverage, enter the elected coverage level	0.75
C	Deductible percentage = 1.00 - B	0.25
D	Price = for CAT coverage, 0.55 <b>OR</b> for additional coverage, enter 1.00	1.00
E	Enter SV	\$100,000
F	Initial amount of insurance = A x B x D x E	\$75,000
G	CYD = C x E	\$25,000
H	If the OLO is not elected leave blank <b>OR</b> If the OLO is elected, enter 0.10 or the appropriate decimal OLO trigger value from the SP	0.10
<b>Values at the Time of Loss</b>		
I	Enter Pre-loss Actual Unit Value	\$80,000
J	Enter Post-loss Damage Value	\$40,000
K	Percent of Loss = (J / I)	0.50
L	Total amount from previous loss occurrences (taken from Example 5)* *excluding price and share	\$45,000
M	Total amount of any previous indemnity payments (taken from Example 5)	\$45,000
N	Total amount of any previous occurrence deductibles (taken from Example 5)	\$20,000
O	Occurrence Deductible = The lesser of (G - N) or (C x I)	\$5,000
P	<b>CAT</b> Indemnity = lesser of (F-M) or (((lesser of I or (E - L)) x K) - O) x A x D	
Q	<b>Additional Coverage WITHOUT OLO</b> Indemnity* = lesser of (F-M) or (((lesser of I or (E - L)) x K) - O) x A x D *cannot exceed remaining amount of insurance from previous loss	
R	<b>Additional Coverage WITH OLO</b> Indemnity = lesser of (F-M) or (A x K x B x (lesser of I or (E - L))) *cannot exceed remaining amount of insurance from previous loss	\$30,000
S	Remaining amount of insurance (F-M-R)	\$0

### 43 Completing the Production Worksheet

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- (1) The completion instructions for the required entry items on the Production Worksheet in Exhibit 4 are “Substantive” (i.e., they are required).
- (2) The Production Worksheet is a form specific to nursery loss adjustment. A separate set of Production Worksheets is needed for each basic unit loss inspection; a Production Worksheet must document all the insured plant categories in the basic unit.
- (3) If a change or correction is necessary, strike out entry and re-enter correct entry above previous entry. The adjuster and insured should initial all 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 COLs, 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 value of the plants remaining after the loss is equal to or more than the SV minus any prior indemnity payments).

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

- (5) The loss adjuster is responsible for determining if the insured has complied with the requirements under the notice and claim provisions of the CP. If the insured has not, the loss adjuster should contact the AIP.
- (6) All nursery inspections initiated through a NOL are considered final inspections.
- (7) Specific loss calculations are discussed in the instructions for the completion of the Production Worksheet. For each loss occurrence, the claim is settled on a unit basis.

The following table provides the acronyms and abbreviations used in this handbook.

<b>Approved Acronym/Abbreviation</b>	<b>Term</b>
AIP	Approved Insurance Provider
ANSI	American National Standard Institute
BP	Common Crop Insurance Policy, Basic Provisions
CAT	Catastrophic Risk Protection
CIH	Crop Insurance Handbook, FCIC-18010
COL	Cause of Loss
CSREES	Cooperative State, Research, Education, and Extension Service
CYD	Crop Year Deductible
CP	Nursery Value Select Pilot Crop Provisions
DSSH	Document and Supplemental Standards Handbook, FCIC-24040
FAD	Final Agency Determination
FCIC	Federal Crop Insurance Corporation
GSH	General Standards Handbook FCIC-18190
ISH	Nursery Value Select Pilot Insurance Standards Handbook, FCIC-24070
LAM	Loss Adjustment Manual, FCIC-25010
NOL	Notice of Loss
NVR	Nursery Value Report
NVS	Nursery Value Select
OLO	Occurrence Loss Option
RMA	Risk Management Agency
SP	Special Provisions
SV	Selected Value
XPS	Excluding Price and Share Calculation

See the BP, GSH, CP, ISH, and LAM for definitions not specific to loss adjustment.

Caliper means 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 is a document in any format that meets the requirements set forth in section 6(k) issued by the nursery and used to advise actual and/or potential wholesale buyers of the amount the insured is charging for the purchase of each specific plant that are offered for sale, including all applicable discounts. Such documents may be by season or any other basis consistent with the insured's business practices. If the insured has plants in an insured plant category in the nursery that are not yet available for sale and they are not included in the catalog, the insured must submit a supplement to the nursery catalog/price list in accordance with section 6(k).

Damaged plant is a plant showing signs of physical injury or deterioration to at least ten percent of its physical structure, as determined by us, unless otherwise specified in the Special Provisions.

Dead/zero market value plant is a plant that, as determined by us:

- (a) Is damaged and exhibits no signs of viability;
- (b) Is a liner multipack that has been damaged so that one or more of the cells no longer contain a viable plant;
- (c) Is any herbaceous plant damaged to the extent it cannot be sold at the approved sales value;
- (d) Is damaged to the extent, determined in accordance with FCIC approved procedures, that it has no market value; or
- (e) Has disappeared due to an insurable COL (e.g., a hurricane, tornado, or flood) and that the insured can substantiate was in the inventory at the time of the loss.

Prohibited plants means 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 otherwise qualifying as insurable. Further, insurance shall not attach to 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 NVR revision) of any affected unit by the value of the prohibited plant(s). For additional information on prohibited plants, refer to paragraph 28.

Systematically means chosen methodically by a process that will sample the appropriate number of plants. So, for example: every second, sixth, tenth, etc. plant starting with a randomly selected plant in the first row and continuing with the next, third, fourth, etc. row so that entire area is sampled.

Uniformly affected means characterized by similarly-damaged plants or populations of specific plants with the damaged plants evenly distributed through the population or populations of specific plants with clusters of damaged plants evenly distributed through the population.



An example of a specific plant Appraisal Worksheet that illustrates completed entry items is provided at the end of this exhibit. Separate worksheets are completed for each specific plant insured in a basic unit. One Appraisal Worksheet is then used to combine values for all specific plants in a plant category within the basic unit. Finally, the Production Worksheet is then used to combine values from different plant categories within the basic unit. Standard specific plant Appraisal Worksheet items are numbered consecutively below. See paragraphs 2D and 33 for additional requirements and information.

<b>Element/Item Number</b>	<b>Description</b>
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 basic unit number from the NVR after it is verified to be correct.  (2) For CAT level of coverage, enter a unit number to represent the basic unit by share and practice.
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 COL is coded as “Other,” explain in the Remarks section.
6. Date of Damage	Enter a SPECIFIC DATE of damage. This consists of the first three letters of the month and the specific date (e.g., Sep 11) or, for additional damage due to a subsequent loss, with attention to a specific date of damage occurring following any applicable increased amount of insurance (due to an upward-revised NVR) in effect at the time damage was occurring.
7. Inspection Number	Number of the inspection for the crop year (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. State Code	Enter the numeric state code (e.g., 37).
10. County Code/Zip Code	Enter the numeric county code and zip code (e.g., 115/28743).
11. CAT Policy	Check the appropriate box; “Yes” if the insured elected CAT level of coverage or “No” if the insured elected an additional level of coverage.

Element/Item Number	Description
12. Unit Structure	<p>Check the appropriate box, depending on the unit structure the insured elected:</p> <p>(1) Basic Units by plant category;  (2) Basic Units by non-contiguous land; or  (3) Basic Units by share;</p> <p>Only additional level of coverage policies may have basic units by plant category or by non-contiguous land. CAT level of coverage policies must have basic units only by share and practice.</p>
13. Plant Category Code	Enter the three-digit code for each plant category as specified on the actuarial documents.
14. Field ID	For field grown plants in separate locations but insured as a single BU, enter any combination of letters and/or numbers up to 5 characters, identifying the location of the specific plants appraised (e.g., B2), and provide a separate Preliminary Appraisal Worksheet for a Specific Plant for each location. Otherwise leave blank.
15. Specific Plant Name/Size	Include specific plant name and size details as necessary to establish the plant identity approved value (item 16) for the Appraisal Worksheet line.
16. Approved Sales Value	Enter the approved sales value of the specific plant as determined in accordance with paragraph 25 B.
17. Number of the Specific Plant in the Unit.	Enter the total number of the specific plant in the unit as determined by procedures described in paragraph 27.
18. Required Number of Plants in the Sample	Enter the appropriate number based on the value entered in item 17 and the information in Exhibit 8.
19. Actual Number of Plants in the Sample	Enter the appropriate number based on the value entered in item 17 and the information in Exhibit 8.
20. Adjuster Determination of Number of Plants in Sample by Condition	<p>For a specific plant from a sample in a basic unit, enter the number in each of the following damage groups:</p> <p>20a. UD: Undamaged.  20b. D: Damaged.  20c. D/Z: Dead/Zero Market Value.</p>
21. Final Determination of Number of Plants in Sample by Condition	<p>For a specific plant from a sample in a basic unit, enter the number in each of the following damage groups:</p> <p>21a. UD: Undamaged.  21b. RD: Retained Damaged.  21c. DD: Discarded Damaged.  21d. D/Z: Dead/Zero Market Value.</p>

Element/Item Number	Description
22. Damage Factor	<p>For a specific plant (item 15) in a specific location (item 14), enter the damage factor from the SP for the damage groups RD, DD, and D/Z:</p> <p>22a. UD: Undamaged = 0.00.            22b. RD: Retained Damaged = 0.50.            22c. DD: Discarded Damaged = 0.75.            22d. D/Z: Dead/Zero Market Value = 1.00; subsequent loss = 0.50.</p> <p><b>NOTE:</b> For a subsequent loss within the crop year, the insured must destroy a retained damaged plant that is determined to be a Dead/Zero Market Value plant.</p>
23. Specific Plant Sample Pre-loss Value	Enter the product of the Approved Sales Value of the Specific Plant multiplied by the Actual Number of Plants in the Sample (item 16 x item 19). Round to two decimal places.
24. Specific Plant Sample Post-loss Damage Value	Enter the product of the Approved Sales Value of the Specific Plant multiplied by the sum of the Final Determination of the Number of Plants in the Sample by Condition multiplied by their respective Damage Factor by Condition (item 16 x ((item 21b x item 22b) + (item 21c x item 22c) + (item 21d x item 22d))). Round to two decimal places.
25. Percent of Loss	Enter the result of dividing the Specific Plant Sample Post-loss Damage Value by the Specific Plant Sample Pre-loss Value (item 24 / item 23). Round to six decimal places.
26. Pre-loss Value of the Specific Plant in the Unit	Enter the product of the Approved Sales Value of the Specific Plant multiplied by the Number of the Specific Plant in the Unit (item 16 x item 17). Round to two decimal places.
27. Post-loss Damage Value of the Specific Plant in the Unit	Enter the product of the Percent of Loss multiplied by the Pre-loss Value of the Specific Plant in the Unit (item 25 x item 26). Round to two decimal places.
28. Remarks	<p>On the last page of the Appraisal Worksheet for a Specific Plant, enter:</p> <ol style="list-style-type: none"> <li>(1) Date of appraisal.</li> <li>(2) Documentation for any adjustment in plant value due to prior damage, uninsured causes, or oversized containers.</li> <li>(3) Documentation of method(s) used by the insured to track previously damaged plants.</li> <li>(4) Cause assessed for uninsured COL appraisals.</li> <li>(5) 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.</li> <li>(6) Applicable hardiness zone determined at:  <a href="http://planthardiness.ars.usda.gov/PHZMWeb/InteractiveMap.aspx">http://planthardiness.ars.usda.gov/PHZMWeb/InteractiveMap.aspx</a>, or successor Web site. If the insured's growing location(s) overlap(s) multiple hardiness zones within each county, use the warmest hardiness zone (e.g., if one growing location is in hardiness zones 7A and 7B, the insured uses hardiness zone 7B, since it is the warmer of the two hardiness zones).</li> </ol>

Element/Item Number	Description
28. Remarks (continued)	(7) Any other pertinent information pertaining to the inspection.  If additional space is needed, use and attach a Special Report and refer to the attachment in the Remarks section.
29. 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.
30. 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.
31. Consultant's Name and Date	Name of consultant and date, if present and assisting with the appraisal.
32. Page Number	Page number and total number of pages for the UNIT/CATEGORY (Example: Page 1 of 1, Page 1 of 2, Page 2 of 2, etc.).

**Form Standards – Preliminary Appraisal Worksheet for a Specific Plant (Continued)**

**Exhibit 3**

		Company: ABC COMPANY		Claim		XXXXXXXXX																			
<i>For Illustration Purposes Only</i> <b>NVS PILOT                  PRELIMINARY APPRAISAL WORKSHEET                  FOR A SPECIFIC PLANT</b>							1. INSURED'S NAME				2. POLICY		3. UNIT NUMBER												
							I M INSURED				XXXXXXX		0001-0001-BU												
							4. CROP		5. CAUSE(S) OF DAMAGE				6. DATE OF DAMAGE		7. INSPECTION NUMBER										
							YYYY		FREEZE																
8. PRACTICE CODE		9. STATE CODE		11. CAT POLICY		12. UNIT STRUCTURE																			
008		37		Yes		ONE				13. PLANT CATEGORY CODE															
						SELECT																			
						Basic Units by Share																			
Basic Unit by Category		X																							
				No		X		Basic Unit by Non-contiguous Land																	
10. COUNTY CODE/ZIP CODE		110/28743								065															
14. FIELD ID		15. SPECIFIC PLANT (NAME/SIZE)				16. APPROVED SALES VALUE OF THE SPECIFIC PLANT		17. NUMBER OF THE SPECIFIC PLANT IN THE UNIT		18. REQUIRED NUMBER OF PLANTS IN THE SAMPLE		19. ACTUAL NUMBER OF PLANTS IN THE SAMPLE													
1		Peace Rose/6-inch pot				\$3.00		200		25		30													
20. ADJUSTER DETERMINATION OF NUMBER OF PLANTS IN SAMPLE BY CONDITION				21. FINAL DETERMINATION OF NUMBER OF PLANTS IN SAMPLE BY CONDITION				22. DAMAGE FACTOR BY CONDITION				23. SPECIFIC PLANT SAMPLE PRE-LOSS VALUE (16 x 19)		24. SPECIFIC PLANT SAMPLE POST-LOSS DAMAGE VALUE (16 x ((21b x 22b) + (21c x 22c) + (21d x 22d)))											
20a		20b		20c		21a		21b		21c		21d		22a		22b		22c		22d		\$90.00		\$76.50	
UD		D		D/Z		UD		RD		DD		D/Z		UD		RD		DD		UD					
0		10		20		0		8		2		20		0.00		0.50		0.75		1.00					
25. PERCENT OF LOSS (24 / 23)						26. PRE-LOSS VALUE OF THE SPECIFIC PLANT IN THE UNIT (16 x 17)						27. POST-LOSS DAMAGE VALUE THE SPECIFIC PLANT IN THE UNIT (25 x 26)													
0.850000						\$600.00						\$510.00													
28. REMARKS: Hardiness Zone 7B NN specific plant name and number used for propagation. NNN specific plant name and number lost due to uninsured damage due to chemical drift damage.  Appraisal completed MM/DD/YYYY.																									
29. Insured's signature								Date		30. Adjuster's signature and Code Number								Date		31. Consultant's name				Date	

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

An example of an Appraisal Worksheet that illustrates completed entry items is provided at the end of this exhibit. Separate Appraisal Worksheets are completed for each plant category insured in a basic unit. The Production Worksheet is then used to combine values from different plant categories within the basic unit. Standard Appraisal Worksheet items are numbered consecutively below. See paragraphs 2D and 33 for additional requirements and information.

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 basic unit number from the NVR after it is verified to be correct.  (2) For CAT level of coverage, enter a unit number to represent the basic unit by share and practice.
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 COL is coded as "Other," explain in the Remarks section.
6. Date of Damage	Enter a SPECIFIC DATE of damage. This consists of the first three letters of the month and the specific date (e.g., Sep 11) or, for additional damage due to a subsequent loss, with attention to a specific date of damage occurring following any applicable increased amount of insurance (due to an upward-revised NVR) in effect at the time damage was occurring.
7. Inspection Number	Number of the inspection for the crop year (e.g., 1).
8. Practice Code	Three-digit code, 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. State Code	Enter the numeric state code (e.g., 37).
10. County Code/Zip Code	Enter the numeric county code and zip code (e.g., 115/28743).
11. 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.

Element/Item Number	Description
12. Unit Structure	<p>Check the appropriate box, depending on the unit structure the insured elected:</p> <ul style="list-style-type: none"> <li>(1) Basic Units by plant category;</li> <li>(2) Basic Units by non-contiguous land; or</li> <li>(3) Basic Units by share;</li> </ul> <p>Only additional level of coverage policies may have basic units by plant category or by non-contiguous land. CAT level of coverage policies must have basic units only by share and practice.</p>
13. Plant Category Code	Enter the three-digit code for each plant category as specified on the actuarial documents.
14. Field ID	Enter any combination of letters and/or numbers up to 5 characters, identifying the location of the plants (e.g., B2).
15. Specific Plant Name/Size	Include specific plant name and size for all plants in the category being documented. Make one entry for each insured specific plant from the corresponding Preliminary Appraisal Worksheet for a Specific Plant
16. Specific Plant Pre-loss Actual Unit Value	Enter the appropriate value (item 26) from the Preliminary Appraisal Worksheet for the Specific Plant.
17. Specific Plant Post-loss Damage Value	Enter the appropriate value (item 27) from the Preliminary Appraisal Worksheet for the Specific Plant.
18. Pre-loss Actual Unit Value – This Page	Enter the sum of the item 16 values on each Appraisal Worksheet page. Enter values rounded to whole dollars.
19. Post-loss Damage Value - This Page	Enter the sum of the item 17 values on each Appraisal Worksheet page. Enter values rounded to whole dollars.
20. Pre-loss Actual Unit Value - Category	On the last page enter the sum of the item 18 values on all the Appraisal Worksheet pages. Enter values rounded to whole dollars. Otherwise leave blank.
21. Post-loss Damage Value - Category	On the last page enter the sum of the item 19 values on all the Appraisal Worksheet pages. Enter values rounded to whole dollars. Otherwise leave blank.
22. Remarks	<p>On the last page of the Appraisal Worksheet for each plant category in the basic unit, enter:</p> <ul style="list-style-type: none"> <li>(1) Date of appraisal.</li> <li>(2) Documentation for any adjustment in plant value due to prior damage, uninsured causes, or oversized containers.</li> <li>(3) Cause assessed for uninsured COL appraisals, identified by specific plant.</li> </ul>

22. Remarks (continued)	<p>(4) Applicable hardiness zone determined at:  <a href="http://planthardiness.ars.usda.gov/PHZMWeb/InteractiveMap.aspx">http://planthardiness.ars.usda.gov/PHZMWeb/InteractiveMap.aspx</a>,  or successor Web site. If the insured’s growing location(s) overlap(s) multiple hardiness zones within each county, use the warmest hardiness zone (e.g., if one growing location is in hardiness zones 7A and 7B, the insured uses hardiness zone 7B, since it is the warmer of the two hardiness zones).</p> <p>(5) Any other pertinent information pertaining to the inspection.</p> <p>If additional space is needed, use and attach a Special Report and refer to the attachment in the Remarks section.</p>
23. 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.
24. 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.
25. Consultant’s Name and Date	Name of consultant and date, if present and assisting with the appraisal.
26. Page Number	Page number and total number of pages for the UNIT/CATEGORY (Example: Page 1 of 1, Page 1 of 2, Page 2 of 2, etc.).



Company:		ABC COMPANY		Claim	XXXXXXXXXX		
<b>For Illustration Purposes Only NVS PILOT APPRAISAL WORKSHEET</b>				1. INSURED'S NAME		2. POLICY	3. UNIT NUMBER
				I M INSURED		XXXXXXXXXX	0001-0001-BU
				4. CROP	5. CAUSE(S) OF DAMAGE		6. DATE OF DAMAGE Sep 11
YYYY	FREEZE						
8. PRACTICE CODE  008	9. STATE CODE  37	11. CAT POLICY		12. UNIT STRUCTURE ONE SELECT		13. PLANT CATEGORY CODE  065	14. FIELD ID  1
10. COUNTY CODE/ZIP CODE 115/28743		Yes		Basic Units by Share			
		No	X	Basic Unit by Category	X		
				Basic Unit by Non-contiguous Land			
15. SPECIFIC PLANT (NAME/SIZE)		16. SPECIFIC PLANT PRE-LOSS ACTUAL UNIT VALUE		17. SPECIFIC PLANT POST-LOSS DAMAGE VALUE (19d)			
Peace Rose/6-inch pot		\$600.00		\$510.00			
Peace Rose/8-inch pot		\$800.00		\$417.00			
Peace Rose/10-inch pot		\$1,000.00		\$829.00			
Olympiad Rose/6-inch pot		\$11,120.00		\$10,115.00			
Olympiad Rose/8-inch pot		\$1,200.00		\$800.00			
Olympiad Rose/10-inch pot		\$47,235.00		\$31,125.00			
Lincoln Rose/6-inch pot		\$8,500.00		\$6,000.00			
Lincoln Rose/8-inch pot		\$15,200.00		\$13,519.00			
Lincoln Rose/10-inch pot		\$19,000.00		\$16,000.00			
Rosa rugosa/bare root		\$42,000.00		\$12,000.00			
		18. PRE-LOSS ACTUAL UNIT VALUE - THIS PAGE \$146,655		19. POST-LOSS DAMAGE VALUE - THIS PAGE \$91,315			
		20. CATEGORY PRE-LOSS ACTUAL UNIT VALUE \$958,253		21. CATEGORY POST-LOSS DAMAGE VALUE \$642,570			
22. REMARKS: Hardiness Zone 7B Specific plant name and number used for propagation. None Specific plant name and number lost due to uninsured damage. None. Appraisal completed MM/DD/YYYY							
23. Insured's signature		Date	24. Adjuster's signature and code number		Date	25. Consultant's name	

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

Example Production Worksheets that illustrates completed entry items are provided at the end of this exhibit. Standard Production Worksheet items are numbered consecutively below. See paragraphs 2D and 41 for additional requirements and information.

Element/Item Number	Description												
1. Crop/Code #	“Nursery Value Select” (1010).												
2. Unit Number	Unit number from the NVR, after it is verified to be correct.												
3. Cropping Practice	Three-digit code, 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 basic 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 6. For progressive damage, enter additional dates of damage in the narrative section or on a Special Report, as needed. Include the SPECIFIC DATE (e.g., Sep 11) and COL (e.g., FREEZE) for additional COL events. For a second specific date occurring within any applicable increased amount of insurance (due to an upward-revised NVR) in effect at the time damage was occurring.												
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 or on a Special Report. If the insured cause(s) of damage is(are) coded as “Other,” explain in the Narrative. Enter additional causes of damage as described in item 5 above.												
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 Narrative or on a Special Report. The total of all “Insured Cause %” including those entered in the Narrative must equal 100%.												
5-7. (continued)	<p><b>Example:</b> Additional entries for items 5-7 in the Narrative or on a Special Report should address multiple COL and/or multiple dates of damage, and insured cause percentages:</p> <table border="1" data-bbox="690 1570 1404 1730"> <thead> <tr> <th colspan="3" data-bbox="690 1570 1404 1612">Narrative: Additional COL and dates of damage</th> </tr> </thead> <tbody> <tr> <td data-bbox="690 1612 1068 1654">5. Date(s) of Damage</td> <td data-bbox="1068 1612 1235 1654">JAN 20</td> <td data-bbox="1235 1612 1404 1654">MAY 12</td> </tr> <tr> <td data-bbox="690 1654 1068 1696">6. Cause(s) of Damage</td> <td data-bbox="1068 1654 1235 1696">FLOOD</td> <td data-bbox="1235 1654 1404 1696">HAIL</td> </tr> <tr> <td data-bbox="690 1696 1068 1730">7. Insured Cause %</td> <td data-bbox="1068 1696 1235 1730">50</td> <td data-bbox="1235 1696 1404 1730">50</td> </tr> </tbody> </table>	Narrative: Additional COL and dates of damage			5. Date(s) of Damage	JAN 20	MAY 12	6. Cause(s) of Damage	FLOOD	HAIL	7. Insured Cause %	50	50
Narrative: Additional COL and dates of damage													
5. Date(s) of Damage	JAN 20	MAY 12											
6. Cause(s) of Damage	FLOOD	HAIL											
7. Insured Cause %	50	50											
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.												

Element/Item Number	Description
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. Date Notice of Loss	The date the notice of damage was given for the unit in item 2. Enter the Date of Notice (MM/DD/YYYY).
14. Assign. of Indemnity	Check the appropriate box, check "Yes" ONLY if an assignment of indemnity for nursery is in effect for the crop year; otherwise, check "No." Refer to the LAM.
15. Unit Division	<p>Check the appropriate box:</p> <ul style="list-style-type: none"> <li>(1) By plant category, if insured selected basic units by plant category;</li> <li>(2) By non-contiguous land, if insured selected basic units by non-contiguous land; or</li> <li>(3) By share, if insured selected basic units by share and practice.</li> </ul> <p>Only additional level of coverage policies may have basic units by plant category or by non-contiguous land. All CAT level of coverage policies must have basic units only by share and practice.</p> <p>Enterprise, optional and whole-farm units are not allowed.</p>
16. Transfer of Right to Indemnity	Check the appropriate box, check "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.
17. SV	Enter the value declared on the NVR of the insurable specific plants in a basic unit in whole dollars.
18. Companion Policies	<ul style="list-style-type: none"> <li>(1) If no other person has a share in the unit (insured has 100 percent share), MAKE NO ENTRY.</li> <li>(2) In all cases where the insured has LESS than a 100 percent share of a loss-affected basic 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." <ul style="list-style-type: none"> <li>(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.</li> <li>(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.</li> </ul> </li> </ul>

Element/Item Number	Description
18. Companion Policies (continued)	<p>(c) If unable to verify the existence of a companion contract, enter “Unknown,” and contact the AIP for further instructions.</p> <p>(3) Refer to the LAM for information regarding companion contracts. Differing ownership (share) constitutes a basis for additional units.</p>
<b>SECTION I – IMMEDIATELY PRIOR TO THIS LOSS</b>	
19a. Basic Unit XPS Liability	Basic unit amount of insurance, prior to reduction for price election percent and share. It is the current SV reported on the most recent NVR (item 17) multiplied by the coverage level percent (item 22a) as a decimal, rounded to whole dollars. Complete this entry on only the first page of each inspection when multiple-page unit claim forms are required.
19b. Basic Unit Previous Indemnity(ies)	<p>Sum of “Preliminary Indemnities” (item 33) from Production Worksheets as calculated during previous loss occurrences for the unit.</p> <p>(1) For all cases, if the Inspection Number equals 1 enter “0.”</p> <p>(2) Enter the sum of all “Preliminary Indemnities” (item 34) calculated during previous loss occurrences.</p> <p>Complete this entry on only the first page of each inspection when multiple-page unit claim forms are required.</p>
19c. Basic Unit Effective XPS Liability	“Basic Unit XPS Liability” (item 19a) minus “Basic Unit Previous Indemnities” (item 19b).
20a. Basic Unit CYD	It is the current SV (item 17) 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 unit claim forms are required.
20b. Basic Unit Previous Occurrence Deductible	<p>The applied unit Occurrence Deductible from previous loss occurrences for the unit.</p> <p>(1) For all cases, if the Inspection Number equals 1 enter “0.”</p> <p>(2) Enter the sum of all “Occurrence Deductibles” (item 31) applied from previous loss occurrences.</p> <p>Complete entry on only the first page of each inspection when multiple-page unit claim forms are required.</p>
20c. Remaining Deductible	“Basic Unit CYD” (item 20a) minus “Basic Unit Previous Occurrence Deductible” (item 20b).

## SECTION II – THIS LOSS

There are six item 26, “Category” columns (26a – 26f) on the Production Worksheet. A separate Production Worksheet is required for each basic unit, including each location if the insured selected basic units by non-contiguous land. For basic units with multiple plant categories applicable, use one column for each insured plant category and enter the same unit number on all the plant categories (e.g., 0001-0001 BU, etc.). Use additional pages if the unit has more than six plant categories insured.

If basic units by plant category are applicable, use column 26a to document the loss. For CAT level of coverage policies and additional level of coverage policies with basic units with multiple types, use columns 26a – 26f as applicable to enter information and “Summary this page” and TOTAL columns to calculate the loss. Complete “TOTAL” column on the first Production Worksheet page to document the unit loss.

<b>Element/Item Number</b>	<b>Description</b>
21. Inspection Number	If the inspection is due to a notice of damage, enter the number of the inspection (e.g., 1), otherwise leave blank.
22a. Coverage Level %	Enter the elected coverage level percent to four decimal places.
22b. OLO	Check the appropriate box for OLO.
23. Insurable Unit Value	The lesser of the SV reported on the most recent NVR (item 17) or the value in the “TOTAL” for item 27.
24. Sum of Previous Insured Losses	“Basic Unit Previous Indemnity” (item 19b) plus “Basic Unit Previous Occurrence Deductible” (item 20b) from any previous Claim Forms from the current Crop Year.
25. Damage Similar to Other Nurseries in the Area?	Enter, “Yes” if amount and cause of damage due to insurable causes is similar to the experience of other nurseries in the area; otherwise enter “No.” Explain in the Narrative in detail documenting exactly why you believe the damage is similar or is different.
26. Plant Category	For each plant category in the basic unit, enter the plant category code in items 26a through 26f, as necessary. If appropriate because of the number of insured categories in the basic unit use additional pages, as necessary.
Items 27 through 35	In the “Summary This Page” column enter the appropriate values for the sum of all categories on the page. In the “TOTALS” column on the first page of the Production Worksheet enter the sum of values from the respective “Summary This Page” items from all Production Worksheet pages for the basic unit
27. Pre-loss Actual Unit Value	For each plant category entered in item 26, enter the amount from item 20 of the Nursery Appraisal Worksheet in whole dollars.
27. Pre-loss Actual Unit Value “Summary This Page” Column	Enter the sum of the entries in item 27 on this page.
27. Pre-loss Actual Unit Value “TOTAL” Column	Enter the sum of the entries in item 27 “Summary This Page” column on all pages in the Production Worksheet for the basic unit.

Element/Item Number	Description
28. Post-loss Damage Value	For each plant category entered in item 26, enter the amount from item 21 of the Nursery Appraisal Worksheet in whole dollars.
28. Post-loss Damage Value “Summary This Page” Column	Enter the sum of the entries in item 28 on this page.
28. Post-loss Damage Value “TOTAL” Column	Enter the sum of the entries in item 28 “Summary This Page” column on all pages in the Production Worksheet for the basic unit.
29. Percent of Loss “TOTAL” Column	Enter the result of dividing the Post-loss Damage Value (item 28) “TOTAL” column value by the Pre-loss Actual Unit Value (item 29) “TOTAL” column value. Round to six decimal places.
30. Amount of Insured Loss “TOTAL” Column	Enter the Percent of Loss (item 29) multiplied by the Insurable Unit Value (item 23). Round to two decimal places.
31. Occurrence Deductible “TOTAL” Column	<p>Enter, rounded to two decimal places, the result of multiplying the product of the deductible percentage (1-coverage level (item 22a)) by the lesser of the Pre-loss Actual Unit Value (“TOTAL” column item 27) or the Basic Unit Effective XPS Liability (item 19c) (for catastrophic risk protection, the indemnity before application of 55 percent).</p> <p>For OLO policies, leave blank.</p>
32. Percent Share “TOTAL” Column	Enter the insured’s share rounded to four decimal places (e.g., 1.0000).
33. Price Election Percent “TOTAL” Column	<p>For additional coverage, enter 1.00.</p> <p>For CAT coverage, enter 0.55.</p>
34. Preliminary Indemnity “TOTAL” Column	<p>Enter in whole dollars:</p> <p>For OLO policies (item 20b), leave blank.</p> <p>For all other policies, enter the greater of zero or the result of subtracting the occurrence deductible (item 28) from the value in the “TOTAL” column of the Post-loss Damage Value (item 29).</p> <p>If the value is zero, enter “no indemnity due” in the “Summary this page” column for item 32.</p>

<p>35. Indemnity “TOTAL” Column</p>	<p>If the entry in “Summary this page” column for item 35 is “no indemnity due,” enter zero. Otherwise,</p> <p>(1) For OLO policies:</p> <p>(a) Enter “no indemnity due” if the percent of loss (item 29) is less than 10 percent, or the limit otherwise specified in the Special Provisions.</p> <p>(b) Otherwise, multiply the percent of loss (item 29) by the coverage level (item 22a); and multiply the result by the lesser of the Pre-Loss Actual Unit Value (Item 27 “TOTAL” column) or the SV (item 17) minus the Total Amount of Any Previous Indemnity (item 19b), and multiply the result by the Percent Share (item 32). Enter the result rounded to whole dollars.</p> <p>(2) For all other policies, enter the product of the Preliminary Indemnity (line 34) multiplied by the Price Election Percent (line 33) and the Percent Share (line 32), rounded to whole dollars.</p>
<p>36. Narrative</p>	<p>If more space is needed, document on a Special Report, and enter “See Special Report.” Attach the Special Report to the Production Worksheet.</p> <p>(1) Explain any uninsured causes, unusual, or controversial cases.</p> <p>(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.</p> <p>(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.</p> <p>(4) Explain any errors found on the NVR.</p> <p>(5) Explain a “No” checked in item 24.</p> <p>(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 Production Worksheet for signature.</p> <p>(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.</p> <p>(8) Explain any delayed notices or delayed claims as instructed in the LAM.</p>

36. Narrative (continued)	<p>(9) Specify the type of insects or disease when the insured cause of damage or loss is listed as insects or disease. Explain why the insect and/or disease could not be controlled.</p> <p>(10) Document the calculation for the plants missing from the catalog.</p> <p>(11) Document any revisions to the NVR that result in a reduced SV due to reporting of prohibited plants as insurable.</p> <p>(12) 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.</p> <p>(13) Document any other pertinent information, including photographs taken as documentation.</p> <p>(14) Verify and document the applicable hardiness zone determined at: <a href="http://planthardiness.ars.usda.gov/PHZMWeb/InteractiveMap.aspx">http://planthardiness.ars.usda.gov/PHZMWeb/InteractiveMap.aspx</a>, or successor website.</p>
36. Insured's Signature and Date	Insured's (or insured's authorized representative's) signature and date. BEFORE obtaining Insured's signature, REVIEW ALL ENTRIES on the Production Worksheet WITH THE INSURED or the insured's authorized representative, particularly explaining codes, etc., that may not be readily understood.
37. Adjuster's Signature, Code Number, and Date	Signature of adjuster, code number, and date signed <b>after</b> the insured (or insured's authorized representative) has signed. For an absentee insured, enter adjuster's code number ONLY. The signature and date will be entered AFTER the absentee has signed and returned the Production Worksheet.
38. Witness' Signature and Date	Signature of witness and date signed <b>after</b> the insured (or insured's authorized representative) and adjuster has signed. For an absentee insured or if signatures are not witnessed, leave blank.
39. 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.
40. Page Numbers	Page numbers - (Example: Page 1 of 1, Page 1 of 2, Page 2 of 2, etc.).



NVS PILOT PRODUCTION WORKSHEET/CLAIM FORM (FOR ILLUSTRATION PURPOSES ONLY)														
1. Crop/Code #: NURSERY		2. Unit Number: 1010		3. Cropping Practice: 008		4. Location Description: 123 WEST PINE ANY CITY, ANY STATE			8. Company: ABC INSURANCE COMPANY ANY CITY, ANY STATE Agency: ABC AGENCY ANY CITY, ANY STATE			9. Name of Insured: I M INSURED		
5. Date(s) of Damage: Sep 11		6. Cause(s) of Damage: FREEZE		7. Insured Cause %: 100		15. Unit Division			10. Claim #: XXXXXXXX			12 Crop Year: YYYY		
11. Policy #: XXXX-XXX-XXX		13. Date Notice Loss: MM/DD/YYYY			14. Assign of Indemnity: Yes		16. Transfer of Right to Indemnity: Yes		No		X			
17. SV: 1,500,000		18. Companion Policies:			19a. Basic Unit XPS Liability: Excluding Price & Share \$1,125,000.00		19b. Basic Unit Previous Indemnity(ies): Sum of item 34, previous losses \$0.00			19c. Basic Unit Effective XPS Liability: 19a – 19b or 38 from page 1 if > 6 units \$1,125,000.00				
20a. Basic Unit Crop Year Deductible SV X (1.000 – Coverage Level %) \$375,000.00		20b. Basic Unit Previous Occurrence Deductible(s): Sum of item 31, previous losses \$0.00			20c. Remaining Deductible 20a – 20b or 33 from page 1 if > 6 units \$375,000.00			<b>SECTION II - THIS LOSS</b>						
21. Inspection Number: 1		22a. Coverage Level: 0.7500		22b. OLO: Yes No X		23. Insurable Unit Value: \$958,253.00			24. Sum of Previous Losses: \$0.00					
25. Damage similar to other nurseries in the area?		26. Plant Category:						Summary This Page		TOTAL				
		26a. Numeric Code 840		26b. Numeric Code 841		26c. Numeric Code		26d. Numeric Code		26e. Numeric Code		26f. Numeric Code		
27. Pre-loss actual unit value:		\$525,253.00		\$433,000.00								\$958,253.00		
28. Post-loss damage value:		\$315,690.00		\$326,880.00								\$642,570.00		
29. Percent of Loss												0.670564		
30. Amount of Insured Loss												\$642,570.00		
31. Occurrence Deductible:												\$239,563.00		
32. Percent Share:												1.0000		
33. Price Election Percent:												1.00		
34. Preliminary Indemnity												\$403,007		
35. Indemnity												\$403,007		
36. Narrative: (If more space is needed, attach a Special Report)														

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

Damage to nursery plants includes, but may not be limited to, the following:

- Lost meristems (growing points on leader, branches, tap root, and branch root);
- Lost foliage;
- Lost branches (leader, scaffold branch, boughs and twigs);
- Lost roots (tap root, branch root, and fibrous roots);
- Lost flowers;
- Lost fruits;
- Broken foliage (folded, perforated, torn);
- Broken branches;
- Bruised foliage;
- Bruised branches;
- Bruised trunks;
- Bruised flowers;
- Bruised fruits;
- Desiccated stems;
- Desiccated roots;
- Desiccated foliage;
- Desiccated flowers;
- Desiccated fruits;
- Discolored stems;
- Discolored foliage;
- Discolored flowers;
- Discolored fruits;
- Torn stems;
- Torn roots;
- Torn flowers;
- Torn fruits;
- Distorted stems;
- Distorted roots;
- Distorted foliage;
- Distorted flowers;
- Distorted fruits;
- Necrotic stems;
- Necrotic roots;
- Necrotic foliage;
- Necrotic flowers;
- Necrotic fruits; or
- Any combination of the above.

**A. Damage Factors**

(1) For Liners and Annual Plants Plant Categories

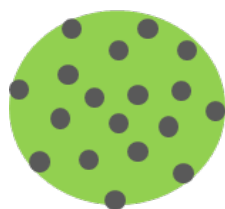
	1. Undamaged (Adjuster Determined)	2. Dead/Zero Market Value (Adjuster Determined)
Description	Less than 10% damage	Dead or damaged to the extent the plant has zero market value and cannot be marketed
Damage Factor	0%	100%
Prior to receiving an indemnity, the AIP must verify the insured destroyed or disposed of the dead/zero market value plants by a method approved by the AIP.		

An insured may move a plant in a sample from the Dead/Zero Market Value group to the Undamaged group during the adjustment, but movement the other direction would require input from a disinterested third party.

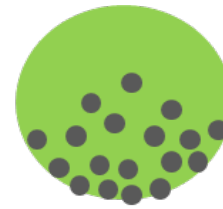
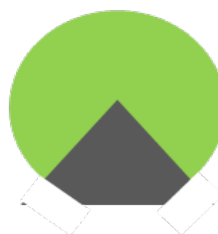
(2) For All Other Plant Categories

	1. Undamaged (Adjuster Determined)	2. Damaged (Adjuster Determined)		3. Dead/Zero Market Value (Adjuster Determined)
		(a) Retained Damaged (Insured Determined)	(b) Discarded Damaged (Insured Determined)	
Description	Less than 10% damage	≥10% damage, does not meet conditions of Dead/Zero Market Value, and will be carried to market	≥10% damage, does not meet conditions of Dead/Zero Market Value, and will not be carried to market	Dead or damaged to the extent the plant has zero market value and cannot be marketed
Damage Factor	0%	50%	75%	100%
Prior to receiving an indemnity, the AIP must verify the insured destroyed or disposed of the discarded damaged and dead/zero market value plants by a method approved by the AIP.				

**Uniform Damage**



**Unequally Distributed Damage**



**B. Factors that Can Lead to Dead/Zero Market Value Determinations**

Factors that impact assessments of Dead/Zero Market Value and the minimum damage that could lead to a plant being characterized as having no market value are provided by category in the table below. For each plant in the category listed in column (A) below, if the conditions in column (B) and (C) are met, then the plant will be considered Dead/Zero Market Value.

(A) Category	(B) Minimum percent physical damage resulting in complete loss of value*	(C) Explanation
Liners	15	Liners with at least one cell with a dead or missing plant
Annual Plants and Plants Grown for One Year or Less	10	Symmetry is generally required for larger plants. Plants with 10 percent or more damage distributed unequally may be considered to have lost all their value. Limited seasonal market period restricts recovery window.
Herbaceous Biennial and Perennial Plants	20	Symmetry is a required quality element for marketability. Plants with 20 percent or more damage distributed unequally may be considered to have lost all their value. Plants with less damage may recover over time. Limited seasonal market period restricts recovery window.
Foliage Plants	10	Symmetry is generally required for larger plants. Plants with 10 percent or more damage distributed unequally may be considered to have lost all their value.
Vines	20	Plants with 20 percent or more damage distributed unequally may be considered to have lost all their value. Plants with less damage may recover over time. Limited seasonal market period restricts recovery window.
Broadleaf Evergreen Trees and Shrubs	5	Damage to graft union; loss of a single scaffold branch; loss of leader; failure to retain required quality attributes that existed before the loss.
Coniferous Trees and Shrubs	5	Damage to graft union; loss of a single scaffold branch; loss of leader; failure to retain required quality attributes that existed before the loss.
Deciduous Trees and Shrubs	5	Damage to graft union; loss of a single scaffold branch; failure to retain required quality attributes that existed before the loss.
Palms	<1	Loss of the apical meristem is eventually fatal.
Cycads	<1	Loss of the apical meristem is eventually fatal.

\*Note: These values are minimums that require careful study of a plant to determine if the total value has been lost due to an insurable COL, any plant with 25 percent or more damage is considered to have zero market value.

## Sampling Frequency

<b>Number of plants in the uniformly affected population</b>	<b>Sample at least: (Percent, rounded up to the nearest whole number)</b>	<b>But not fewer than:</b>
1-10	100	
11-50	40	10 plants
51-100	25	20 plants
101-500	8	25 plants
501-1,000	5	40 plants
1,001-5,000	2	50 plants
5,000 or more	1	100 plants

**Cold Protection Assignments Based on Plant Category Within Hardiness Zones**

For container grown plants, if required by section 10(c)(3) of the CP or the SP, the following cold protection methods are required for each plant category.

<b>Cold Protection Assignments Based on Plant Category Within Hardiness Zones<sup>1,2</sup></b>													
Plant Category	Hardiness Zones with Minimum Temperatures												
	HZ 1 -60°	HZ 2 -50°	HZ 3 -40°	HZ 4 -30°	HZ 5 -20°	HZ 6 -10°	HZ 7 0°	HZ 8 +10°	HZ 9 +20°	HZ 10 +30°	HZ 11 +40°	HZ 12 +50°	HZ 13 +60°
Liners: Annuals <sup>3</sup>	A	A	A	A	A	A	A	A	A	A	R	R	R
Liners: Perennials <sup>4</sup>	A	A	C	C	C	D	D	F	G	K	R	R	R
Annual Plants & Plants Grown for One Year or Less	A	A	A	A	A	A	A	A	A	A	R	R	R
Herbaceous Biennial and Perennial Plants	A	B	C	D	E	H	J	K	N	P	R	R	R
Broadleaf Evergreen Trees and Shrubs	A	A	C	C	F	I	J	N	N	P	R	R	R
Coniferous Trees and Shrubs	B	B	C	D	F	I	J	N	N	P	R	R	R
Deciduous Trees and Shrubs	A	B	C	D	F	I	K	N	N	P	R	R	R
Vines	A	B	C	D	E	H	J	K	N	P	R	R	R
Foliage Plants	A	A	A	A	A	A	A	A	A	A	R	R	R
Palms	A	A	A	A	A	A	A	A	J	K	R	R	R
Cycads	A	A	A	A	A	A	A	A	A	J	R	R	R

1 Cold Protection Requirements assigned for Plant Category are based on Good Nursery Practices. Plants with a Hardiness Zone Two Hardiness Zones warmer than the Grower's Hardiness Zone are not insurable unless otherwise allowed by Special Provisions.

2 Refer to Exhibit 10 for the cold protection assignments in the matrix.

3 Liners consisting of Annual Plants, Palms, Cycads and Perennials grown as Annuals.

4 Liners consisting of Perennials other than Palms, Cycads and Perennials grown as Annuals.

**Ranked in order of Most Protective to Least Protective**

- A. Glass, Lexan types, Polycarbonate sheeting or Double Translucent Poly Covered Walk-in Structure or an environmentally controlled building with plants standing up or lying down, with appropriate supplemental heat, humidity and irrigation to prevent cold, freeze, heat or desiccation damage.
- B. Structureless Plant Bed with plants laid down and consolidated container-to-container, with Poly plus 8"-12" of Hay plus Poly plus 8"-12" of Hay completely covering the plants and containers.
- C. Structureless Plant Bed with plants laid down and consolidated container-to-container, with Poly plus 8"-12" of Hay plus Poly completely covering the plants and containers.
- D. Structureless Plant Bed with plants laid down and consolidated container-to-container, with Poly and then 8"-12" of Hay completely covering the plants and containers.
- E. Lexan type or Double Translucent Poly Covered Walk-in Structure with plants consolidated container-to-container, standing up or lying down, with thermo blanket (Fleece Fabric, Micro Foam, Spun-bound Fabric) completely covering the plants and containers.
- F. Below Ground Pot-in-Pot System with adequate drainage to prevent water logging and excess salt accumulation.
- G. White Poly Covered Low Hoop House, Cold Frame or Walk-in Structure with plants consolidated container-to-container, standing up or lying down, with thermo blanket (Fleece Fabric, Micro Foam, Spun-bound Fabric) completely covering the plants and containers.
- H. Structureless Plant Bed with plants laid down and consolidated container-to-container, with thermo blanket (Fleece Fabric, Micro Foam, Spun-bound Fabric) plus White Poly completely covering the plants and containers.
- I. Structureless Plant Bed with plants standing up and mulched with woodchips between containers and 6"-12" above the containers.
- J. White Poly Covered Low Hoop House, Cold Frame or Walk-in Structure with plants consolidated container-to-container, standing up or lying down, plus White Poly completely covering the plants and containers.
- K. Structureless Plant Bed with plants laid down covered with thermo blanket (Fleece Fabric, Micro Foam, Spun-bound Fabric) completely covering the plants and containers.
- L. White Poly Covered Low Hoop House, Cold Frame or Walk-in Structure with plants consolidated container-to-container, standing up or lying down.

- M. Structureless Plant Bed with plants laid down with White Poly completely covering plants and containers. Care must be taken to avoid foliar damage.
- N. Structureless Plant Bed with plants consolidated container-to-container, standing up with the entire perimeter of the bed wrapped to the height of the container with a thermo blanket or similar material.
- O. Shade Structure with shade fabric or woven translucent fabric and an Irrigation System capable of coating the structure with ice to form a “Tent of Ice”.
- P. Overhead Irrigation System equipped with sufficient sprinklers, water volume and water pressure to provide complete coverage of all plants throughout the duration of potential frost damage.
- Q. Smudge Pots, Portable Heaters and/or Wind Machines with sufficient capacity to provide protection for all plants throughout the duration of potential frost damage.
- R. No Protection.



Container sizes are determined on an actual volume basis for purposes of determining the size of the container. The FCIC container sizes and volumes are shown below. Use these standards if there is any question about the sizes in the insured’s catalog.

FCIC Size Name	Gallon Measurement		Cubic Inch Equivalent		Includes Standard ANSI Class
	Minimum	Maximum	Minimum	Maximum	
Pot	0.038	0.19	8.78	46.19	SP3
1 Quart	0.20	0.39	46.20	92.39	SP4
2 Quart	0.40	0.59	92.40	138.59	SP5
1 Gallon	0.60	1.37	138.60	318.77	1
2 Gallon	1.38	2.49	318.78	577.49	2
3 Gallon	2.50	3.39	577.50	785.39	3
5 Gallon	3.40	5.77	785.40	1,335.21	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	21.49	2,767.38	4,042.49	15
20 Gallon	21.50	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	9,821.49	N/A
45 Gallon	42.50	47.49	9,821.50	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	21,902.49	N/A
80 Gallon	77.50	82.49	21,902.50	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	214.49	28,759.50	40,309.49	N/A
200 Gallon	214.50	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