

The Grapevine insurance program provides coverage for loss of grafted vines caused by natural perils such as freeze or fire. The program also complements the Grape crop insurance program that covers the fruit growing on the vine. It is based on the Tree Based Dollar Amount of Insurance (TDO) plan and includes an Occurrence Loss Option (OLO) that provides coverage for smaller losses, at an additional premium, for producers with buy-up coverage.

It is classified as a “mortality policy,” paying losses when the vine is dead or so badly damaged it will not recover in the following 12 months. The program covers freeze, fire, hail, flood and failure of the irrigation water supply caused by an unavoidable, naturally occurring event. Producers using proper Freeze Protection practices in their operation can also benefit from lower premium costs under the program.

Crops Insured

Grapevines are insurable in specific counties in California, Idaho, Michigan, New York, Ohio, Oregon, Pennsylvania, Texas and Washington. For grapevines to be insured, they must be, at a minimum, adapted to the area and grown for the purpose of producing grapes intended to be sold as fruit, wine or juice for human consumption. Coverage will be offered on grafted vines only, and no partial damage losses will be considered. A minimum number of vines per acre are required for insurability and as specified in the Special Provisions of your insurance policy.

Guarantees, Coverage Levels and Premium Subsidies

- The amount of protection is based on the vine reference price applicable to each different stage of the insurable vines.
- Vines are grouped into stages to establish the Vine Reference Price (VRP) used to determine insurance coverage. There are three different stages based on the number of months since the vine was set out at the time insurance attaches. If at least 75% of the vines in a block fall within the same stage, the entire block may be considered the same stage.
- The dollar amount of protection for the unit is based on the number of insurable vines in each stage-block multiplied by the applicable vine reference price and price percentage elected for the type. These results are totaled for each stage and multiplied by the coverage level elected for the type.
- One coverage level can be selected, ranging from 50 to 75% and one percentage of price election up to 100% of the vine reference price for each type that is insured in the county, can be selected. Higher coverage levels are subsidized at lower rates, and the premium subsidy is at least 55% of the premium. Premium and administrative fees are due annually.

SALES CLOSING

November 1

ACREAGE REPORT DATE

November 1

CANCELLATION

November 1

INSURANCE PERIOD

Coverage must be applied for on or before November 1. Coverage begins on December 1 of each crop year and continues through November 30 of the following calendar year. Insurance coverage will automatically renew for the subsequent crop year unless coverage is canceled by November 1.

Claims

Indemnities are payable on a unit when the damage value for the unit exceeds the unit deductible. Damage value is determined by multiplying the number of vines destroyed due to an insurable cause by the applicable VRP and the elected percentage of the VRP. If there are multiple stage-blocks within a unit, the damage values calculated for each stage-block are totaled to determine the damage value for the unit.

Optional Coverage

- There are two forms of optional coverage available in conjunction with your grapevine policy. Both require you to elect a coverage level above the Catastrophic Risk Protection Endorsement (CAT) level (50% coverage level at 55% of the price election).
- For an additional premium, you can elect the Occurrence Loss Option (OLO). The OLO doesn't change your amount of protection; however, it allows indemnities to be paid on smaller losses that are at least 5%.
- For a premium discount, you may elect the Freeze Protection Option. This option is available if you have proper freeze protection practices in place.

Causes of Loss

- Freeze
- Hail
- Flood
- Fire
- Failure of the irrigation water supply caused by an unavoidable naturally occurring event that occurs during the insurance period.

Loss Example:

Assume you have chosen a 75% coverage level. You have not elected the OLO. You have 100% share in 3,000 stage III grapevines in the unit.

The VRP for stage III grapevines is \$30 and you elect 100% of the VRP. The unit deductible is \$22,500 (3,000 stage III vines x \$30 x .25). Due to an insured cause of loss, 1,000 vines are destroyed.

The damage value is \$30,000 (1,000 vines x 100% damage x \$30 per vine). The indemnity for the unit is calculated as follows:

\$30,000	Damage Value
- \$22,500	Unit Deductible
\$7,500	Amount of Loss
x 100%	Share
\$7,500	Indemnity

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Hudson Crop

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