



United States Department of Agriculture
Risk Management Agency

April 2005

2005 COMMODITY INSURANCE FACT SHEET

Fruit Tree (Pilot) Florida

Crop Insured

The trees insured will be those of each of the following types for which you elect insurance coverage and a premium rate is quoted in the actuarial documents:

- that are grown in the county listed on your application,
- in which you have a share,
- that are grown to produce a crop intended to be sold as fruit or juice for human consumption.

Carambola trees

Grapefruit trees

Lemon trees

Lime trees

Orange trees (Includes early, midseason and late oranges, and navel oranges)

All other citrus trees (includes temple oranges, tangerines, tangelos, and murcotts)

Counties Available

There are 29 counties in which fruit trees are insurable. See your insurance agent for a listing of eligible counties.

Causes of Loss

Excess moisture

Freeze

Infection by or exposure to ACC when the trees are removed pursuant to a public order

Wind

Insurance Period

Insurance attaches for each crop year on November 21 for carryover policies and 30 days after we receive your application, unless notified otherwise, for new insureds. The insurance period ends the earlier of: (1) November 20 of the crop year; or (2) Upon our

determination of the total destruction of insured trees on the unit.

Reporting Requirements

Acreage Report—You must report to your insurance company the number of trees, insurable and not insurable, the stage of the insurable trees in the county in which you have a share, your share at the time insurance attaches, and the crop type.

Notice of Loss— See your insurance agent for detailed requirements.

Important Dates

Sales Closing.....	November 20
Acreage Reporting.....	November 20
Billing.....	January 1
Cancellation/Termination.....	November 20

Definitions

ACC—Asiatic Citrus Canker—A disease caused by the bacterium *Xanthomonas axonopodis pathovar citri* (Hasse) Dawson, which adversely affects citrus trees.

APHIS—Animal and Plant Health Inspection Service, an agency of the U.S. Department of Agriculture, or a successor agency.

Uprooted—A tree that is no longer upright and has an exposed root system that causes permanent damage.

Coverage Levels and Premium Subsidies

Coverage level options range from 50 to 75 percent of the reference maximum price per tree shown on the FCI-35 and are subsidized as shown in the following table. As an example, if the reference maximum

Price is \$31 per tree, the 65-percent coverage level results in a \$20.15 guarantee per tree.

Item	Percent					
Coverage Level	50	55	60	65	70	75
Premium Subsidy	67	64	64	59	59	55
Your Premium Share	33	36	36	41	41	45

Catastrophic (CAT) coverage: Use 55 percent of the maximum reference price for the appropriate stage rounded to the nearest cent. The cost for CAT coverage is an administrative fee of \$100 per county, regardless of the acreage.

Loss Example

(Example based on a unit of 1000 citrus trees insured at the 75-percent coverage level, stage D03 = \$31, damage to trees is 50 percent).

50 percent Damage
25 percent Deductible (100 percent—
 75 percent)
 25 percent divided by 75 percent (coverage level) =
 33 percent

1000	Trees
<u>x \$31</u>	Per tree
\$ 31,000	
<u>x 75%</u>	Coverage level
\$23,250	Amount of insurance per unit
<u>x 33%</u>	
\$7,673	Indemnity for the unit

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