



United States
Department of
Agriculture



Federal Crop
Insurance
Corporation

FCIC-25760 (02-2020)
FCIC-25760-1 (12-2020)

NURSERY VALUE SELECT PILOT LOSS ADJUSTMENT STANDARDS HANDBOOK

2021 and Succeeding Crop Years

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

TITLE: NURSERY VALUE SELECT PILOT LOSS ADJUSTMENT STANDARDS HANDBOOK	NUMBER: FCIC-25760 FCIC-25760-1
EFFECTIVE DATE: 2021 and Succeeding Crop Years	ISSUE DATE: December 23, 2020
SUBJECT: Provides procedures and instructions for administering the Pilot Nursery Value Select crop insurance program	OPI: Product Administration & Standards Division
	APPROVED: <i>/s/ Richard Flourney</i> Deputy Administrator for Product Management

REASON FOR AMENDMENT

Major Changes: See changes or additions in text which have been highlighted. Three stars (***) identify where information has been removed.

1. Page 26, Paragraph 42, Example 1, Item K - updated calculation to four decimal places.
2. Page 27, Paragraph 42, Example 2, Item K - updated calculation to four decimal places.
3. Page 28, Paragraph 42, Example 3, Item K - updated calculation to four decimal places.
4. Page 28, Paragraph 42, Example 3, Item Q - updated dollar amount due to decimal revision.
5. Page 28, Paragraph 42, Example 3, Item S - updated dollar amount due to decimal revision.
6. Page 29, Paragraph 42, Example 4, Item K - updated calculation to four decimal places.
7. Page 29, Paragraph 42, Example 4, Item L - updated dollar amount due to decimal revision.
8. Page 29, Paragraph 42, Example 4, Item M - updated dollar amount due to decimal revision.
9. Page 29, Paragraph 42, Example 4, Item Q - updated dollar amount due to decimal revision.
10. Page 30, Paragraph 42, Example 5, Item K - updated calculation to four decimal places.
11. Page 31, Paragraph 42, Example 6, Heading - changed "More" to "Less."
12. Page 31, Paragraph 42, Example 6, Item K - updated calculation to four decimal places.
13. Page 31, Paragraph 42, Example 6, Item R - updated dollar amount due to decimal revision.
14. Page 31, Paragraph 42, Example 6, Item S - updated dollar amount due to decimal revision.
15. Page 47, Exhibit 5, Item 23 - added, "minus the Sum of Previous Insured Losses (item 24)."

REASON FOR AMENDMENT (Continued)

16. Page 48, Exhibit 5, Item 29 - changed, “Round to six decimal places” to “Round to four decimal places.”
17. Page 48, Exhibit 5, Item 31 - changed, “rounded to two decimal places” to “round to whole dollars.”
18. Page 48, Exhibit 5, Item 31 - moved the phrase, “the lesser of” within Item 31 to the correct location.
19. Page 48, Exhibit 5, Item 31 - changed, “Basic Unit Effective XPS Liability (item 19c)” to “Remaining Deductible (Item 20c).”
20. Page 48, Exhibit 5, Item 34 - changed, “item 28” to “item 31.”
21. Page 48, Exhibit 5, Item 34 - changed, “Post-loss Damage Value (item 29)” to “Amount of Insured Loss “TOTAL” (item 30).”
22. Page 49, Exhibit 5, Item 35(1)(b) - changed, “Item” to “item.”
23. Page 49, Exhibit 5, Item 35(2) - added, “lesser of SV (item 17) multiplied by the Coverage Level (item 22a), the Price Election Percent (item 33), and the Percent Share (item 32) minus the Total Amount of Any Previous Indemnity (item 19b) or.”
24. Page 49, Exhibit 5, Item 35(2) - changed the word, “line” to “item” in three places.

CONTROL CHART

Nursery Value Select Pilot Loss Adjustment Standards Handbook							
	TP Page(s)	TC Page(s)	Text Page(s)	Exhibit Number	Exhibit Page(s)	Date	Directive Number
Remove	1-2		26-31	5	47-49	02-2020	FCIC-25760
Insert	1-2		26-31	5	47-49	12-2020	FCIC-25760-1
Current Index	1-2	1-2	1-25			02-2020	FCIC-25760
			26-31			12-2020	FCIC-25760-1
			32	1-5	33-46	02-2020	FCIC-25760
				5	47-49	12-2020	FCIC-25760-1
				5-11	50-59	02-2020	FCIC-25760

FILING INSTRUCTIONS

The handbook pages listed in the Control Chart above under the “Insert” heading replace pages in the FCIC-25760, Nursery Value Select Pilot Loss Adjustment Standards Handbook, dated February 19, 2020. This handbook is effective for the 2021 and succeeding crop years.

42 Indemnity Calculation Examples

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

Step	Action	Result
Established with the Application		
A	Enter share as a decimal percentage	1.0000
B	Coverage Level = for CAT coverage, enter 0.50 OR 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 OR 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 OR If the OLO is elected, enter 0.10 or the appropriate decimal OLO trigger value from the SP	
Values at the Time of Loss		
I	Enter Pre-loss Actual Unit Value	\$80,000
J	Enter Post-loss Damage Value	\$60,000
K	Percent of Loss = (J / I)	0.7500
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	CAT Indemnity = lesser of (F-M) or (((lesser of I or (E - L)) x K) - O) x A x D	\$11,000
Q	Additional Coverage WITHOUT OLO Indemnity = lesser of (F-M) or (((lesser of I or (E - L)) x K) - O) x A x D	
R	Additional Coverage WITH OLO 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
Established with the Application		
A	Enter share as a decimal percentage	1.0000
B	Coverage Level = for CAT coverage, enter 0.50 OR 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 OR 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 OR If the OLO is elected, enter 0.10 or the appropriate decimal OLO trigger value from the SP	
Values at the Time of Loss		
I	Enter Pre-loss Actual Unit Value	\$80,000
J	Enter Post-loss Damage Value	\$60,000
K	Percent of Loss = (J / I)	0.7500
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	CAT Indemnity = lesser of (F-M) or (((lesser of I or (E - L)) x K) - O) x A x D	
Q	Additional Coverage WITHOUT OLO Indemnity = lesser of (F-M) or (((lesser of I or (E - L)) x K) - O) x A x D	\$40,000
R	Additional Coverage WITH OLO 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
Established with the Application		
A	Enter share as a decimal percentage	1.0000
B	Coverage Level = for CAT coverage, enter 0.50 OR 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 OR 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 OR If the OLO is elected, enter 0.10 or the appropriate decimal OLO trigger value from the SP	
Values at the Time of Loss		
I	Enter Pre-loss Actual Unit Value	\$160,000
J	Enter Post-loss Damage Value	\$100,000
K	Percent of Loss = (J / I)	0.6250
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	CAT Indemnity = lesser of (F-M) or (((lesser of I or (E - L)) x K) - O) x A x D	
Q	Additional Coverage WITHOUT OLO Indemnity = lesser of (F-M) or (((lesser of I or (E - L)) x K) - O) x A x D	\$37,500
R	Additional Coverage WITH OLO 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)	\$37,500

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
Established with the Application		
A	Enter share as a decimal percentage	1.0000
B	Coverage Level = for CAT coverage, enter 0.50 OR 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 OR 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 OR If the OLO is elected, enter 0.10 or the appropriate decimal OLO trigger value from the SP	
Values at the Time of Loss		
I	Enter Pre-loss Actual Unit Value	\$80,000
J	Enter Post-loss Damage Value	\$60,000
K	Percent of Loss = (J / I)	0.7500
L	Total amount from previous loss occurrences* *excluding price and share	\$37,500
M	Total amount of any previous indemnity payments	\$37,500
N	Total amount of any previous occurrence deductibles	\$25,000
O	Occurrence Deductible = The lesser of (G - N) or (C x I)	\$0
P	CAT Indemnity = lesser of (F-M) or (((lesser of I or (E - L)) x K) - O) x A x D	
Q	Additional Coverage WITHOUT OLO 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	\$37,500
R	Additional Coverage WITH OLO 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
Established with the Application		
A	Enter share as a decimal percentage	1.0000
B	Coverage Level = for CAT coverage, enter 0.50 OR 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 OR 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 OR If the OLO is elected, enter 0.10 or the appropriate decimal OLO trigger value from the SP	0.10
Values at the Time of Loss		
I	Enter Pre-loss Actual Unit Value	\$80,000
J	Enter Post-loss Damage Value	\$60,000
K	Percent of Loss = (J / I)	0.7500
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	CAT Indemnity = lesser of (F-M) or (((lesser of I or (E - L)) x K) - O) x A x D	
Q	Additional Coverage WITHOUT OLO Indemnity = lesser of (F-M) or (((lesser of I or (E - L)) x K) - O) x A x D	
R	Additional Coverage WITH OLO 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 Less than SV

Step	Action	Result
Established with the Application		
A	Enter share as a decimal percentage	1.0000
B	Coverage Level = for CAT coverage, enter 0.50 OR 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 OR 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 OR If the OLO is elected, enter 0.10 or the appropriate decimal OLO trigger value from the SP	0.10
Values at the Time of Loss		
I	Enter Pre-loss Actual Unit Value	\$80,000
J	Enter Post-loss Damage Value	\$40,000
K	Percent of Loss = (J / I)	0.5000
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	CAT Indemnity = lesser of (F-M) or (((lesser of I or (E - L)) x K) - O) x A x D	
Q	Additional Coverage WITHOUT OLO 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	Additional Coverage WITH OLO 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	\$20,625
S	Remaining amount of insurance (F-M-R)	\$9,375

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.

Element/Item Number	Description
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) minus the Sum of Previous Insured Losses (item 24) 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 four 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	Enter, in whole dollars, the lesser of the result of multiplying the product of the deductible percentage (1-coverage level (item 22a)) by the Pre-loss Actual Unit Value (“TOTAL” column item 27) or the Remaining Deductible (Item 20c) (for catastrophic risk protection, the indemnity before application of 55 percent). For OLO policies, leave blank.
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	For additional coverage, enter 1.00. For CAT coverage, enter 0.55.
34. Preliminary Indemnity “TOTAL” Column	Enter in whole dollars: For OLO policies (item 20b), leave blank. For all other policies, enter the greater of zero or the result of subtracting the occurrence deductible (item 31) from the value in the “TOTAL” column of the Amount of Insured Loss “TOTAL” (item 30) . If the value is zero, enter “no indemnity due” in the “Summary this page” column for item 32.
35. Indemnity “TOTAL” Column	If the entry in “Summary this page” column for item 35 is “no indemnity due,” enter zero. Otherwise, (1) For OLO policies: (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>35. Indemnity “TOTAL” Column (Continued)</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 lesser of SV (item 17) multiplied by the Coverage Level (item 22a), the Price Election Percent (item 33), and the Percent Share (item 32) minus the Total Amount of Any Previous Indemnity (item 19b) or the Preliminary Indemnity (item 34) multiplied by the Price Election Percent (item 33) and the Percent Share (item 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> <ol style="list-style-type: none"> (1) Explain any uninsured causes, unusual, or controversial cases. (2) If there is an appraisal for uninsured causes due to hail/fire exclusion, show the original hail/fire liability per acre and the hail/fire indemnity per acre. (3) State that there is “No other fire insurance” when fire damages or destroys the insured crop and it is determined that the insured has no other fire insurance. Refer to the LAM for more information. (4) Explain any errors found on the NVR. (5) Explain a “No” checked in item 24. (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. (7) When any other adjuster or supervisor or consultant accompanied the adjuster on the inspection, enter the code number of any other adjuster, or supervisor, and the name of any consultant present during the inspection and the date of inspection. (8) Explain any delayed notices or delayed claims as instructed in the LAM.