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Department of
Agriculture



Federal Crop
Insurance
Corporation

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NURSERY CROP INSURANCE STANDARDS HANDBOOK

2025 and Succeeding Crop Years

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NURSERY CROP INSURANCE STANDARDS HANDBOOK

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PART 1: GENERAL INFORMATION AND RESPONSIBILITIES

1 General Information

A. Purpose and Objective

To provide instructions for underwriting nursery crops under policy 19-073 and to assure uniform acceptance of nursery risks meeting the criteria provided in this handbook.

In the course of delivering nursery crop insurance, AIPs may develop forms based on their internal needs. The forms must be developed according to RMA's approved standards contained in this handbook or as specified in the FCIC-24040, Document and Supplemental Standards Handbook, and provide all required information. Standards and examples contained in this handbook do not contain required statements. Refer to the FCIC-24040 to determine the applicable statements to be included on each form.

B. Source of Authority

Federal programs enacted by Congress and the regulations and policies developed by RMA, USDA, and other Federal agencies provide the authority for program and administrative operations and basis for RMA directives. See CIH Para 1B.

C. Title VI of the Civil Rights Act of 1964

The USDA prohibits discrimination against its customers. Title VI of the Civil Rights Act of 1964 provides that "No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance." Therefore, programs and activities that receive Federal financial assistance must operate in a non-discriminatory manner. Also, a recipient of RMA funding may not retaliate against any person because they opposed an unlawful practice or policy, or made charges, testified or participated in a complaint under Title VI.

It is the AIPs' responsibility to ensure that standards, procedures, methods and instructions, as authorized by FCIC in the sale and service of crop insurance contracts, are implemented in a manner compliant with Title VI. Information regarding Title VI of the Civil Rights Act of 1964 and the program discrimination complaint process is available on the USDA public website at www.ascr.usda.gov. For more information on the RMA Non-Discrimination Statement, see the DSSH.

1 General Information (Continued)

D. Related Handbooks

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

Handbook	Relation/Purpose
CIH	This handbook provides the official FCIC-approved underwriting standards for policies administered by AIPs for the General Administrative Regulations, Common Crop Insurance Policy Basic Provisions, and Area Risk Protection Regulations.
GSH	This handbook provides the official FCIC-approved standards for policies administered by AIPs under the General Administrative Regulations, Common Crop Insurance Policy Regulations Basic Provisions, including the Catastrophic Risk Protection Endorsement; the Area Risk Protection Insurance Regulations Basic Provisions; the Stacked Income Protection Plan of Insurance; the Rainfall Index Plan; and the Whole-Farm Revenue Protection Pilot Policy.
DSSH	This handbook provides the official FCIC-approved form standards for use in the sale and service of any eligible Federal crop insurance policy; required statements and disclosures; and the standards for submission and review of non-reinsured supplemental policies in accordance with the SRA.
LAM	This handbook provides the official FCIC-approved general loss adjustment standards for all levels of insurance provided under FCIC unless a publication specifies that none or only specified parts of this handbook apply.

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

2 Responsibilities

A. RMA Responsibilities

RMA will maintain and update this handbook as needed and provide guidance and clarifications to the AIP as requested.

B. AIP Responsibilities

AIPs will utilize this handbook and other standards, procedures, and instructions as authorized by RMA for the purpose of selling and servicing the [Nursery](#) Crop Insurance Program. AIPs should report program issues or concerns to RMA.

A. Contract Change

January 31, preceding the cancellation date.

B. Sales Closing

- (1) May 1, preceding the crop year (crop year begins June 1 and ends May 31).
- (2) New policy applications may be filed at any time. However, all applications, including those for new or amended coverage, are subject to a 30-day waiting period before commencement of coverage as specified in Sections 3(d) and 9(a) of the Nursery CP. Carryover insureds may request changes to the coverage level for a basic unit on or before the SCD. An application or policy change form (issued by the AIP) is required for adding a plant type, adding a location (when basic unit by non-contiguous land is elected on the field grown practice) or making a coverage level change. The insurance application/policy change form and the PIVR are separate forms and will be treated as such in contract administration. The PIVR is not an application and cannot be used to apply for coverage.

C. PIVR and Nursery Catalog or Price List (Catalog) Submission Deadlines

- (1) New insureds: With the application.
- (2) Carryover insureds: On or before the SCD.

If the acceptable PIVR or applicable catalog is not provided by the SCD for any crop year, insurance will not attach until the 31st day after all acceptable documents are received by the AIP.

D. NGPE Upgraded Plant Report Submission Deadlines

- (1) New insureds: With the application.
- (2) Carryover insureds: On or before the SCD.

E. Insurance Attachment

- (1) New insureds: The later of the 31st day after the application is received by the AIP or June 1.
- (2) Carryover insureds: June 1.

If the insured fails to provide an acceptable PIVR or applicable catalog on or before the SCD for any crop year, insurance will not attach until the 31st day after all such documents have been received by the crop insurance agent. The crop insurance agent is encouraged to transmit the documents to the AIP within five business days or a timeframe established by the AIP.

E. Insurance Attachment (Continued)

The 30-day waiting period does not include the date the required documentation is received or the date insurance attaches. For example, an application and all required documentation are received on May 10th. Insurance **does** not attach until the 31st day after the required documentation is received; therefore, insurance does not attach until June 10th.

Documentation Received May 10	[-----30 Day Waiting Period -----]	Insurance Attaches June 10
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F. Premium Billing

- (1) March 1 of the crop year.
- (2) The insured is responsible for premium based on:
 - (a) The **PIVR** may be prorated the first year and will be prorated if insurance attaches after June 1.
 - (b) A revised PIVR—will be prorated from the starting month to end of crop year.
 - (c) A **PIVR**—will be prorated from starting to ending month.

In accordance with **Section 7(c)** of the Nursery CP, premium will be charged for the entire month for any calendar month during which any amount of coverage is provided under the Nursery CP or the Peak Inventory Endorsement. Premium for less than a year is prorated using the monthly proration factors contained in the actuarial documents. If a producer applies for insurance on or after March 1 for the current crop year or submits a PIVR or catalog on or after that date (including a revised PIVR), premium will be due at the time of application. Premium will also be prorated when PIVRs or catalogs are submitted with applications after the SCD.

- (d) The election of the Rehabilitation Endorsement.

The insured is responsible for an administrative fee for each practice insured.

G. Cancellation and Termination

- (1) May 31 preceding the crop year.
- (2) To be effective for the crop year, insureds must request to transfer the policy to a different AIP prior to the cancellation date, in accordance with procedures contained in the FCIC-18010 Crop Insurance Handbook. Any policy transferred after the SCD and prior to the cancellation date must have the same coverage levels, plant types, etc., that were effective on the SCD.

3 Important Dates (Continued)

H. End of Insurance Period

Insurance ends at the earliest of:

- (1) May 31 of the crop year;
- (2) the date of final adjustment of a loss when the total indemnities due equal the amount of insurance;
- (3) removal of bare root nursery plant material from the field;
- (4) removal of all other insured plant material from the nursery; or
- (5) abandonment of the crop on the basic unit.

4-10 (Reserved)

PART 2: NURSERY CROP PROVISIONS

11 Availability

Nursery crop insurance protection is available to all persons operating a wholesale nursery that produces and markets nursery plants grown in standard nursery containers or the field in accordance with the BP, SP, CAT Endorsement, and Nursery CP.

A producer may insure any or all practices. Each practice is considered a different crop for insurance purposes and can have different coverage—CAT or additional level of coverage. All plants and plant types within the practice must be insured. An administrative fee will be charged for each practice insured.

A wholesale nursery is a business enterprise that grows and markets nursery plants at wholesale prices. Forty percent or more of the nursery's gross income of plant sales (on a county basis) must be derived from wholesale marketing of plants to be considered a wholesale nursery. A nursery that receives more than 60 percent of its gross income of plant sales from retail plant sales is not eligible for coverage under the Nursery CP for the applicable county. Whether a nursery holds a wholesale license is not a determining factor in establishing if it qualifies as a wholesale nursery under the Nursery CP. The requirements of growing the plants and the percentage of nursery plants sold at wholesale prices are the only bases for this determination.

The percentage of nursery plants sold at wholesale prices is determined by dividing the dollar amount of wholesale plant sales by the total dollar amount of combined retail and wholesale plant sales. Income from other operations including landscaping, chemical sales, other nursery-related products, production of other crops or livestock or any other business enterprise not related to the nursery inventory are not to be included in this calculation.

All applicants must be eligible for crop insurance benefits and not be listed on the Ineligible Tracking System. Any producer who is ineligible because of debt may subsequently become eligible by paying the debt. Such producers may then apply for nursery crop insurance for the remainder of the crop year if the application is received more than 30 days before the end of the crop year. Refer to [Section 2\(f\)](#) of the BP and 7 CFR Part 400 subpart U for provisions and regulations regarding insurance eligibility.

12 Coverage Levels

To be effective for the current crop year, changes to coverage level elections are limited as listed below.

- (1) For New Policies: Changes may not be made after the date of the application.
- (2) For Carryover Policies: Coverage level changes or changes to unit structure may not be made after the SCD for the 2019 and subsequent crop years. The AIP has the right to reject a requested coverage level change if a loss occurs within 30 days of the date the request is made. If the coverage level change is rejected, the coverage level that was in place previously will remain in effect for the current crop year.

12 Coverage Levels (Continued)

- (3) For CAT Level of Coverage Policies: The price percentage is 55 percent of the price election, and the coverage level is 50 percent. If the insured selects the CAT level of coverage for one practice, all plant types under the practice are insured at the CAT level of coverage.
- (4) For Additional Level of Coverage Policies: The price percentage is limited to 100 percent of the price election, and only one coverage level election may be selected for each basic unit.

13 Basis of Coverage

A. EPLPPS

- (1) Is available on CD, upon request, and on the RMA website at www.rma.usda.gov/tools/eplpps; and
- (2) is used to establish insurability, liability, and indemnities.

B. Catalogs

The Nursery CP requires insureds to provide two copies of their most recent catalog each crop year as a condition of insurance.

- (1) The catalog may be provided by CD or other electronic means, without an accompanying hard copy, if the electronic copy is in a PDF format and is suitable for printing. If the catalog is not submitted electronically, two hard copies must be submitted.
- (2) If the carryover insured does not provide the required acceptable catalogs by May 1 prior to the start of the crop year, insurance will not attach until the 31st day after all such acceptable documents have been received by the AIP.
- (3) New insureds must submit two copies of their most recent catalog(s) to the AIP with their applications. If the new insureds fail to provide a PIVR or an acceptable catalog (i.e., does not meet the criteria in (4) below) with the application for any crop year, insurance will not attach until the 31st day after all such documents have been received by the crop insurance agent.
- (4) To be acceptable, all catalogs must:
 - (a) be type-written, legible, and the same catalog provided to customers (except printed discount schedules) and used in the sale of the plants (e.g., in order to “be used in the sale of the plants,” there must be sales records during the timeframe for which the catalog is effective, except sales records are not required for new producers); and
 - (b) contain all of the following information:
 - (i) issue date (season or month and year) on the cover page (may be handwritten);

B. Catalogs (Continued)

- (ii) name, address (excluding PO boxes), and phone number of the nursery; and
 - (iii) each plant's name (botanical or common), plant or container size, and wholesale price.
- (5) The AIP shall review the catalogs.
 - (a) The AIP shall reject those that do not meet the policy criteria and notify the insured or applicant in writing of the reason for rejection by providing a copy of the completed and signed Nursery Catalog Checklist (see [Exhibit 9](#)) explaining the deficiencies and reason for catalog rejection.
 - (b) A CIVR created with the use of the Nursery Insurance Software cannot be used as a substitute for the catalog.
- (6) AIPs shall submit one copy of the acceptable catalog, along with a completed and signed Nursery Catalog Checklist (see [Exhibit 9](#)) to the RMA RO on a timely basis. **The preferred method of transmittal is through the ROE system (refer to Appendix III for guidance). Failure to upload the catalog and checklist within 60 days after the AIP receives the catalog will result in an AIP Scorecard Error. Uploading an unacceptable catalog will also result in an AIP Scorecard Error.**
 - (a) The AIP must ensure the date the catalog is received is documented **on both the catalog and checklist.**
 - (b) The checklist must contain the crop year, state, county, policy number, nursery name on catalog (if different than the insured's name), agent's name and servicing company***. **The checklist must be uploaded to ROE as a separate document along with the catalog.**
 - (c) The AIP's copy of the catalog will be maintained in the official file of the insured.
 - (d) If a pattern, practice, or trend of unacceptable catalogs submitted by the AIP is identified, the RMA RO will notify the AIP and refer to the appropriate RMA Risk Compliance Office.
 - (e) Catalogs submitted by more than one insured entity that appear to be substantially the same except for the front cover must be referred to the appropriate RMA Compliance Office for investigation.

B. Catalogs (Continued)

- (7) *******Plant prices determined from the catalog, or EPLPPS remain in effect for that crop year only and must be re-determined for the following crop year, using the most recent catalog for which there are sales (except sales records are not required for new producers) and EPLPPS in effect for that crop year. If the nursery publishes more than one edition of its catalog offering different plants (e.g., a fall catalog and a spring catalog), two copies of the most recent edition for each season must be submitted for each crop year at the time the initial PIVR is submitted. The catalog submitted with the original PIVR will be used for purposes of a revised PIVR or Peak Inventory Endorsement.
- (8) If both a spring and fall catalog are submitted by an insured, the prices for plants will be selected from the appropriate catalog. For example, the producer applies for a nursery policy in April and has catalogs published in March of the current year and September of the prior year. The March catalog shall be the first reference for the inventory of plants. If certain plants are not contained in the March catalog, the producer may reference the September catalog.

C. Inventory Values will be determined as follows:

- (1) The insured must use the lower of the EPLPPS price or the lowest price to establish inventory values, except when an insured has elected the NGPE where available. The “lower of” price rule is also applicable to coverage bound as a result of any Peak Inventory Value Report and any revision to the PIVR. Losses will be adjusted on the basis of the “lower of” prices without regard to the prices used by the insured to prepare the PIVR.
- (2) A plant that is priced on the EPLPPS under both the high/wide and caliper measurement methods will be valued for pricing purposes using the lowest price for the plant. However, such price may not exceed the maximum price for the plant contained on the EPLPPS.
- (3) The “lowest price” is the lowest unit price at which a plant is listed in the catalog (see items (a) and (c) below for additional information).
 - (a) Methods used in discounting prices may be based on dollar amount purchased, number of plants purchased, or other methods of price discounting. The method used by the insured to discount prices will be used in the determination of the lowest price. The discounts available must be shown on the catalog or on a printed discount schedule. General discounts (e.g., dollar amount purchased, local pick-up) apply to all plant prices in the catalog. It is not considered a discount if prices are lowered to sell lower quality plants or if prices are lowered for end-of-season sales to reduce inventory; however, at least 50 percent of each plant listed on the CIVR must be sold at or above the lowest price for that plant.

- (b) Plants listed at the genus level on a catalog must be compared to the correct taxonomic level of the plant in the EPLPPS in order to determine the most accurate values for the PIVR.
- (c) If there is a discount used in pricing nursery plants, the lowest unit price at which a plant is listed in the catalog will be used to establish the lowest price. For example, a plant is listed in the catalog in the following manner using discounts:
 - (i) 500 plants @ 1.00 dollar each.
 - (ii) 1,000 plants @ 75 cents each.
 - (iii) 5,000 plants @ 45 cents each.

The price of 45 cents will be used, as this is the lowest unit price to establish the lowest price.

- (4) If the NGPE is elected, the insured may establish inventory values based on upgraded plant prices higher than the EPLPPS prices but less than or equal to the insured's catalog prices. However, insureds who elect the NGPE must have verifiable wholesale sales records and meet all eligibility requirements contained in [Section 2](#) of the NGPE.

D. All Plant Cultivars of a Genus, Genus/Species, Genus/Hybrid, or Genus/Species/Subspecies or Variety may not be listed in the EPLPPS.

In these cases, the insurable price of each unlisted cultivar is determined by comparing the catalog price to the EPLPPS price for the appropriate genus, genus/species, genus/hybrid, or genus/species/subspecies or variety to determine the "lower of" price. See the example below.

Example: The EPLPPS shows a price of \$4.76 for boxwoods (genus *Buxus*) **at the genus level** in a one-gallon container and a price of \$2.31 for Japanese Littleleaf Boxwood (*Buxus microphylla* var. *japonica*) **at the genus/species/variety level** in a one-gallon container. The insured lists in his catalog the one-gallon price for *Buxus* Cultivar X' (genus/cultivar) as \$5.00 and a one-gallon price for *Buxus microphylla* var. *japonica* Cultivar Y' (genus/species/variety/cultivar) as \$2.25. Enter the two **unlisted cultivars** of boxwoods on separate lines. The inventory software will apply the "lower of" rule for both unlisted plants and will select the \$4.76 EPLPPS genus level price for *Buxus* Cultivar X' and the \$2.25 catalog price for *Buxus microphylla* var. *japonica* Cultivar Y'.

If the insured uses a common name for a plant that is different from the valid common name used for the same plant in the EPLPPS, the plant is still insurable. The loss adjuster shall attach a special report to the insured's claim, listing the common plant names used in the insured's catalog and the corresponding valid botanical and common names (if common names are available) listed on the EPLPPS for the same plants. If these names are available at the time of insurance attachment, a report may be placed in the insured's file.

E. To be Insurable in a County, plants must meet the Hardiness Zone Designation Requirements

AIPs should assist insureds in determining the hardiness zone for their growing locations in each county using the USDA’s interactive PHZM web site. When using the Nursery Inventory Software, follow these steps to determine the applicable hardiness zone:

- (1) go to: planthardiness.ars.usda.gov, or successor website.
- (2) enter the zip code of the insured’s growing location and click “Locate.”
- (3) to find the precise location of the insured’s growing location, use the Zoom Level function on the left-hand side of the screen in conjunction with one or more of the following functions:
 - (a) Zone Color Transparency function at the top of the screen; and
 - (b) “Choose Basemap” function at the top of the screen. If you change the Basemap from Road Map to Satellite Image or vice versa, you will not notice a difference if the Zone Color Transparency function is at 0 percent. You must change the Zone Color Transparency percentage in order to see a difference between the Road view and the Satellite Image.
- (4) once the insured has located the growing location, he/she clicks on the map in any portion of the growing location.
- (5) a pop-up box will appear that will include information related to the spot on the map where the insured clicked. Transfer the hardiness zone information to the hardiness zone box in the Inventory Software.

If the insured’s growing location(s) overlap(s) multiple hardiness zones within each county, the insured uses the warmest hardiness zone (e.g., if one growing location is in hardiness zones 9A and 9B, the grower uses hardiness zone 9B, since it is the warmer of the two hardiness zones).

If a change in the hardiness zone designation of the insured’s nursery location results in a plant that was previously insurable becoming uninsurable, a request for review of the plants cold tolerance may be submitted to the RMA Regional Office. If appropriate, the cold protection requirements for the plant will be revised for the next crop year.

A. Nursery Plants

Plants identified on the EPLPPS meeting the requirements of the BP, Nursery CP, SP, and the EPLPPS.

B. Eligible Plants Grown under Irrigation

The SP may allow for a non-irrigated practice for field grown plants. The SP may also allow for a non-irrigated practice for field grown plants the second and subsequent years after the plants are set out.

- (1) Unless otherwise allowed in the SP, nurseries are required to be irrigated on an as-needed basis.
 - (a) Container plants require an ongoing application of water.
 - (b) Field grown plants may require a more or less frequent application of water.
- (2) There are various methods of irrigating.
 - (a) For the purposes of insurance there must be an adequate supply of water and adequate equipment to deliver the water to the plants.
 - (b) The source of water may be a well, lake, river, or it may be delivered with tanker truck. The method of application also may vary; for example, sprinklers or trickle irrigation. (See **Paragraph 16**, Conditions of Acceptance, for additional instructions for making irrigation determinations.)
 - (c) It must be determined at the time of inspection that there is an adequate source of water and that the method and frequency of application is effective in maintaining the proper amount of moisture for the plants. Weather conditions and plant type also affect the required frequency and amount of water application. In the event a water source fails or there is a failure or loss of irrigation equipment due to uninsured causes, an uninsured cause of loss appraisal will be performed. Examples would include failure of a well, public water shortage, breakdown of equipment, or inability to use tankers to transport water provided these were the result of uninsured causes of loss. Coverage will be provided only if there is a failure of the irrigation water supply due to a cause of loss specified in **Section 10** of the Nursery CP.

C. Plants meeting the following Size Requirements and Guidelines

Plant size requirements and guidelines are given in accordance with the standards contained in the American Standard for Nursery Stock (ANSI Z60.1).

- (1) Field grown plant sizes are listed on the Base Price Tables of the EPLPPS.
 - (a) Plants smaller than the smallest listed sizes are not insurable. Do not round up.

C. Plants meeting the following Size Requirements and Guidelines (Continued)

- (b) Plants with a size between the listed sizes are rounded down to the nearest size to determine the price.
- (c) Plants larger than the largest size listed on the EPLPPS are insurable, but the price is limited to the lower of the:
 - (i) EPLPPS price for the largest plant size listed; or
 - (ii) lowest price for the affected plant sizes.
- (2) The plant height determined under the high/wide measurement method will not include the height of the root ball for balled-and-burlapped plants. The high/wide measurement method uses the height of the tree from the in-ground soil line or the width of the crown (branches and foliage). For purposes of providing correct pricing for the EPLPPS, tree prices should be provided by caliper or overall tree height. When pricing is provided by trunk height, additional size data such as caliper or overall tree height is required.
- (3) Insurable plants in over-sized containers will be valued for purposes of reporting inventory as if the plants were in appropriately-sized containers in accordance with the standards contained in the American Standard For Nursery Stock (ANSI Z60.1). Trays with individual cells less than 5/8 inch in diameter at the widest point of the container interior are not insurable. See the EPLPPS and [Exhibit 7](#) footnote in this handbook for additional information and requirements. Container or liner sizes smaller than the smallest size listed for plants on the EPLPPS are not insurable. Do not round up to meet the minimum size requirement for plants.
- (4) If at any time while determining inventory or loss it is determined that the size of a plant is not listed in the catalog, but the genus, species, subspecies, variety or cultivar is listed in the catalog, the wholesale price for the missing plant size will be determined using the lower of price determined from the calculation listed below or the price in the EPLPPS, unless the plant is endorsed under the NGPE). If the plant is endorsed under the NGPE and the calculated wholesale price for the missing plant size determined in (a) or (b) below is greater than the EPLPPS price, then the price used for insurance purposes is the calculated wholesale price, not the EPLPPS price.
 - (a) When only one plant size listed in the catalog is nearest to the size of the missing plant, calculate the factor using the calculation below:
 - (i) divide the price from the catalog or the upgraded price, if the NGPE is elected, for the plant at the nearest size to the size of the missing plant by the price in the EPLPPS for the same-sized plant as shown in the catalog to determine a proration factor (rounded to three decimal places); and
 - (ii) multiply the EPLPPS price that corresponds to the size of the missing plant by the proration factor.

C. Plants meeting the following Size Requirements and Guidelines (Continued)

Example: The insured's catalog has an Agastache "Firebird" listed in a 3-gallon container. At the time of loss, the Agastache "Firebird" is growing in a 2-gallon container. The insured's catalog price for a 3-gallon Agastache "Firebird" is \$12.00; however, a price for a 2-gallon size is not listed. The EPLPPS 3-gallon Agastache "Firebird" price is \$15.00 and the EPLPPS 2-gallon Agastache "Firebird" price is \$9.00. The wholesale price will be \$7.20 ($\$12 \text{ catalog price} / \$15 \text{ EPLPPS price} = .80 \text{ proration factor} \times \$9.00 \text{ EPLPPS price}$).

- (b) When there are two plant sizes listed in the catalog equally distant to the size of the missing plant, calculate the factor using the calculation listed below:
- (i) add the two equally distant prices from the catalog or add the two upgraded plant prices, if the NGPE is elected;
 - (ii) add the two equally distant prices from the EPLPPS;
 - (iii) divide the sum of the two prices, or two upgraded plant prices, from the catalog for the plant at the nearest sizes to the size of the missing plant by the sum of the two prices in the EPLPPS for the same-sized plant to determine a proration factor (rounded to three decimal places); and
 - (iv) multiply the EPLPPS price that corresponds to the size of the missing plant by the proration factor.

Example: The insured's catalog has an Agastache "Firebird" listed in a 1-gallon and in a 3-gallon container. At the time of loss, the Agastache "Firebird" is growing in a 2-gallon container. The insured's catalog lists a price for a 1-gallon Agastache "Firebird" at \$6.00 and a price for a 3-gallon Agastache "Firebird" at \$12.00. A price for a 2-gallon Agastache "Firebird" is not listed. The EPLPPS 1-gallon Agastache "Firebird" is \$6.03, the EPLPPS 2-gallon Agastache "Firebird" price is \$9.63, and the 3-gallon Agastache "Firebird" price is \$13.34. The wholesale price for the missing plant size will be \$8.95 ($(\$6.00 + \$12.00) = \$18.00 \text{ catalog price} / (\$6.03 + \$13.34) = \$19.37 \text{ EPLPPS price} = .929 \text{ proration factor} \times \$9.63 \text{ EPLPPS price}$).

C. Plants meeting the following Size Requirements and Guidelines (Continued)

(c) When calculating the price for a missing:

(i) liner size: Only compare the missing size to other liner sizes. For example, 1) if the missing liner size is 72-200 cells/tray, the nearest size is 37-71 cells/tray (“equally-distant” does not apply); 2) if the missing liner size is 37-71 cells/tray, the two equally-distant sizes are 72-200 cells/tray and <3” – 36 cells/tray; and 3) if the missing liner size is <3” – 36 cells/tray, the nearest size is 37-71 cells/tray (“equally distant” does not apply);or

(ii) pot size: Calculate the price based on (a) above, as there will not be two equally-distant prices as stated in (b). The nearest size to the missing Pot size is the next larger size listed in the catalog.

(5) Container sizes are determined on an actual volume basis for purposes of determining the price of the plant as provided on the EPLPPS. See the SP and the table found in [Exhibit 8](#).

(6) A plant may be priced by a nursery by height (high/wide) whereas the EPLPPS may only list caliper as the method of measurement and pricing. The reverse may also occur. In these instances, a “comparable size” determination must be made before the “lower of” price rule can be applied.

Example: A nursery reports that there are 100 ten-foot-high Acey Broom trees in the inventory. The EPLPPS shows the Acey Brooms priced by container size or by caliper, but not by high/wide. A determination is made that they are 2 inches in caliper. With this information the catalog price may be compared to the EPLPPS caliper price to determine the “lower of” price.

See [Section 8](#) of the Nursery CP for additional information regarding insurable plants.

D. Organically Grown Plants

Certified organic or transitional organic plants are only insurable under the applicable practice(s) contained in the actuarial documents and must be reported on separate PIVRs.

E. Insurable Plants Damaged Prior to the Attachment of Insurance

Plants may be accepted by the AIP for coverage for the current crop year, if inspected by the AIP prior to insurance attaching and a reduced value established. Such plants will not be insured at their full value until they have fully recovered. (See the paragraphs below for more information.)

If not accepted by the AIP, the plants must be removed from the PIVR and noted as such in the remarks section of the PIVR.

E. Insurable Plants Damaged Prior to the Attachment of Insurance (Continued)

If the insured has previously made a claim and the loss adjuster is unable to determine whether a plant was damaged prior to submission of the PIVR for the current crop year, the plant will be insurable at full value based on the lesser of the EPLPPS price or the catalog price. The value of the plant may be reduced at any time during the crop year if the extent of damage is discovered.

- (1) The following situations may occur in the event a damaged plant has been accepted for insurance at a reduced value:
 - (a) reduced value < catalog price < EPLPPS price;
 - (b) catalog price < reduced value < EPLPPS price;
 - (c) catalog price < EPLPPS price < reduced value;
 - (d) reduced value < EPLPPS price < catalog price;
 - (e) EPLPPS price < catalog price < reduced value; and
 - (f) EPLPPS price < reduced value < catalog price.
- (2) If the damaged plant falls under (1)(a), (b), (c), or (d) above, the following steps should be followed when completing a CIVR in the Nursery Inventory Software:
 - (a) enter the reduced value as the catalog price;
 - (b) make a note in the remarks section of the CIVR that the reduced value has been assigned to the catalog price for that plant for the purpose of completing the CIVR; and
 - (c) list in the remarks section the actual value of the reduced value and catalog price.

Example: The insured has a five-foot tall Douglas Fir that was damaged the previous crop year. It is determined the reduced value is \$70.00. The catalog price for the current crop year is \$85.00 and the EPLPPS price is \$81.12. The insured enters the catalog price for the Douglas Fir as \$70.00 and makes a note in the remark section that states the catalog price is \$85.00, but the tree was damaged in the previous crop year and the reduced value was determined to be \$70.00.

- (3) If the damaged plant falls under (1)(e) or (f) above, the following steps should be followed when completing a CIVR in the Nursery Inventory Software:
 - (a) enter the reduced value as the catalog price;

E. Insurable Plants Damaged Prior to the Attachment of Insurance (Continued)

- (b) make a note in the remarks section of the CIVR that the catalog price for that specific plant is equal to the reduced value for the purposes of completing the CIVR; and
- (c) list in the remarks section the actual values of the reduced value and catalog price. Additionally, the applicable plant type total and practice total must be manually adjusted to reflect the true reduced value.

Example: The insured has a five-foot tall Douglas Fir that was damaged the previous crop year. It is determined the reduced value is \$85.00. The catalog price for the current crop year is \$90.00 and the EPLPPS price is \$81.12. The insured enters the catalog price for the Douglas Fir as \$85.00 and makes a note in the remark section that states the catalog price is \$90.00, but the tree was damaged in the previous crop year and the reduced value was determined to be \$85.00. Since the EPLPPS price is lower than the catalog price and the reduced value, the CIVR will assign the EPLPPS as the price at which the Douglas Fir is insurable. The insured must manually adjust the applicable plant type total and practice total to reflect the reduced value.

F. Container Grown Plants

Plants must meet the over-winterization cold protection requirements contained in the EPLPPS to be insurable for losses caused by cold weather.

G. Plants Grown Under Written Agreement

Plants may be established as insurable under a written agreement prepared by RMA (not applicable to CAT). See [Paragraph 21](#), Written Agreements for Unlisted Plants, for additional instructions.

H. Plants and Plant Types in Each Practice

The insured crop will be all nursery plants in each plant type and in each practice the insured elects to insure, in which the insured has a share, and that:

- (1) are shown on the EPLPPS and meet all the requirements for insurability;
- (2) are determined by the AIP to be acceptable;
- (3) are grown in a county for which a premium rate is provided in the actuarial documents;
- (4) are grown in a nursery inspected by us and determined to be acceptable;
- (5) are irrigated unless otherwise provided by the SP;

H. Plants and Plant Types in Each Practice (Continued)

- (6) are grown in accordance with the production practices for which premium rates have been established;
- (7) are grown in an appropriate medium;
- (8) are grown and sold with the root system attached;
- (9) are not stock plants or plants being grown solely for harvest of buds, flowers, or greenery;
- (10) 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);
- (11) are not grown in containers with two or more different genera, species, subspecies, varieties or cultivars of plants. The EPLPPS does not provide a price for such containerized plants (dish gardens); therefore, they are not insurable as grown;
- (12) are not prohibited plants (Any plant classified by a state or county as illegal to grow or sell in the county in which the nursery is located is uninsurable, even if listed in the EPLPPS or otherwise qualifying as insurable. 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. Further, insurance shall not attach 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.); and
- (13) are not omitted plants/plant prices. The value of such plants, as determined using the EPLPPS, will be used in determining FMV-B for all losses for the crop year.
 - (a) Any plant, meeting all insurability requirements, grown in a nursery will be uninsurable for the crop year if the plant is:
 - (i) not listed (by either the complete botanical or common name) in the catalog; or
 - (ii) listed in the catalog but there is not a corresponding price.
 - (b) If the catalog is not updated on an annual basis, the insured must submit a supplement to the catalog on or before the SCD. The supplement must be in accordance with [Section 6\(i\)](#) of the Nursery CP.
 - (c) If the insured can prove through purchase receipts that plants that were not listed in the catalog provided for the crop year were acquired after submitting an initial PIVR, the insured must submit a revised catalog and a revised PIVR, if applicable.

H. Plants and Plant Types in Each Practice (Continued)

- (d) If the insured has plants in his/her nursery that are not yet available for sale and they are not included in the catalog, the insured must submit a supplement to the catalog and a revised PIVR, if applicable. At a minimum, the supplement must:
 - (i) be typewritten and legible;
 - (ii) show an issue date or effective date on the cover page (may be handwritten);
 - (iii) contain the name, address (excluding PO boxes), and phone number of the nursery;
 - (iv) be intended for use in the sale of the insured's plants once they are available for sale; and
 - (v) list each plant's name (botanical or common), plant size, and wholesale price.
- (e) The plants for which the revised catalog or supplement is submitted will not be insurable until 30 days after the revised catalog or supplement is received by the AIP. The revised catalog or supplement will only be used for the purpose of pricing 1) new plants introduced into the nursery after the original submission of the catalog and 2) plants not yet available for sale and not listed in the original submission of the catalog. No other plant prices in the revised catalog or supplement will be accepted.

I. Established Nursery Plants

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 seed, cuttings, mother plants (or source clone), etc.

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). Grafted or budded plants will not be considered to have a viable foliage system until the plant has broken dormancy and produced foliage subsequent to grafting or budding.

15 Cause of Loss Limitations

Plant Disease and Insect Damage are not covered unless the disease or insect infestation occurs and no effective control measure exists, or unless otherwise specified on the SP.

If a pesticide does not exist for control of disease or insects, loss from disease or insects that are not controllable will be covered. Horticulturists, extension agents, or agronomists may be used as experts in determining appropriate control measures.

15 Cause of Loss Limitations (Continued)

Insurable plants grown without the appropriate over-winterization cold protection are covered for all named perils except cold temperatures.

See [Section 10](#) of the Nursery CP for additional limitations.

16 Conditions of Acceptance

A. Inspection Report

- (1) Must be completed prior to the acceptance of any application for insurance of a nursery crop, and at certain other times, as noted in [Subparagraph B](#). The nursery inspection is conducted by the AIP to determine the acceptability of the nursery operation as an insurance risk.
- (2) Is an active record and must be maintained until a new inspection is completed or the policy is no longer valid. The three-year record retention is not applicable to the inspection report if the policy remains in effect. There must be an inspection report in the insured's file while the policy remains in effect.
- (3) The AIP's underwriters shall review the inspection reports and determine whether to bind coverage. In case of a negative inspection report, the AIP shall respond by choosing from the options under D-E of this paragraph.

B. Inspection of Nursery Operations

Must occur in the following circumstances (check SP for additional required inspections):

- (1) The first year for all insureds and when a policy is transferred from another AIP to determine if the:
 - (a) inventory amounts reported are appropriate for CAT policies and the limits are not exceeded as provided under [Section 6\(c\)](#) of the Nursery CP;
 - (b) reported values on the CIVR or PIVR are supported by acceptable supporting documentation and the reported values are supported within tolerance (see [Paragraph 20C\(3\)](#) for acceptable supporting documentation requirements);
 - (c) risk is acceptable; and
 - (d) insurability requirements are met (refer to [Section 8](#) of the Nursery CP for additional information).
- (2) There is existing damage. The inspection will be used to establish the value of insured plants damaged during the current crop year that will remain in the insured's inventory and are insurable at a reduced value the following crop year. A previous loss adjustment for the same damaged plants may be used in conjunction with the pre-acceptance inspection.

E. Frost Freeze

- (1) Is the location subject to above normal frost hazard?
- (2) Has winter damage occurred the previous year that will affect this year's production?
- (3) Frost/Freeze protection, check and enter type:
 - (a) none;
 - (b) sprinklers;
 - (c) hoop house;
 - (d) poly;
 - (e) greenhouse; or
 - (f) heat.
 - (g) Does this growing location aid in frost protection?
 - (h) Average number of times per year that frost protection is utilized?
 - (i) USDA Hardiness Zone for the growing location.
- (4) Are adequate facilities available to meet over-winterization requirements required by the EPLPPS? Note any deficiencies.
- (5) By what date does the nursery normally complete cold weather protection of container plants?
- (6) On what date are container plants fully removed from cold weather protection?

F. Additional Information

- (1) Have the plants sustained previous damage? If so, describe. (List on a separate sheet or appraisal worksheet the name, number, size and value of each damaged plant.)
- (2) Growing location map: Hand sketch a map or provide an FSA aerial photo showing the growing location in detail indicating other owned or share rented locations, landmarks and nursery crops grown by the insured.
- (3) State the percentage of gross income derived from plant sales from wholesale and retail sales of nursery plants based on the calculation contained in Part 2, Paragraph 11.

"Based on the calculation above, has the nursery derived at least 40 percent of its gross income of plant sales from the wholesale marketing of plants?" Check "Yes" or "No." Explain and document what information was verified to determine the result of the calculation. Attach a separate sheet if necessary.

Exhibit 7 Minimum and Maximum Plant Sizes by Plant Type

Three plant types have a high/wide (seedling) range. To qualify for the seedling range the trees must be the CE, DT, or FN plant type and the trees must measure a minimum of 6 inches but less than 18 inches tall. Do not round qualifying measurements. Seedlings that are less than 6 inches tall are not insurable. Eighteen-inch trees will be insured according to the individual plant prices shown on the EPLPPS. The lower of the EPLPPS price or the insured’s lowest price will be the price for each tree in the seedling range.

Plants that are larger than maximum size listed below will use the price of the largest size listed on the EPLPPS for the plant to determine the price election (subject to the “lower of” rule).

Size Plant Limits

Plant Type Name	Plant Type Code	Container Size Min.	Container Size Max.	Field Grown Caliper (inches) Min.	Field Grown Caliper (inches) Max.	Field Grown High/Wide (inches) Min.	Field Grown High/Wide (feet) Max.
Annuals	AN	POT 0.038	5 Gal & up	n/a	n/a	n/a	n/a
Broadleaf Evergreen Trees	BE	POT 0.038	300 Gal & up	7/16	6	18 in.	30
Broadleaf Evergreen Shrubs	BS	POT 0.038	100 Gal & up	n/a	n/a	6 in.	12
Coniferous Evergreen Trees	CE	POT 0.038	65 Gal & up	7/16	6	Seedling	20
Coniferous Evergreen Shrubs	CS	POT 0.038	65 Gal & up	n/a	n/a	6 in.	12
Deciduous Shrubs	DS	POT 0.038	65 Gal & up	n/a	n/a	6 in.	12
Deciduous Trees	DT	POT 0.038	300 Gal & up	7/16	6	Seedling	20
Fruit & Nut Trees	FN	POT 0.038	65 Gal & up	7/16	4	Seedling	10
Foliage	FO	POT 0.038	65 Gal & up	n/a	n/a	18 in.	25
Ground Cover & Vines	GC	POT 0.038	10 Gal & up	n/a	n/a	6 in.	5
Herbaceous Perennials	HP	POT 0.038	25 Gal & up	n/a	n/a	n/a	n/a
Palms and Cycads	PC	POT 0.038	300 Gal & up	n/a	n/a	18 in.	30
Roses	RO	POT 0.038	5 Gal & up	n/a	n/a	6 in.	5
Small Fruits	SF	POT 0.038	10 Gal & up	n/a	n/a	6 in.	5
Liners***	LI	Cell is equal to or greater than 5/8 inch **	Cell is less than 3 inches in diameter *	n/a	n/a	n/a	n/a

Exhibit 8 FCIC Container Sizes

Container sizes are determined on an actual volume basis for purposes of determining the size of the container on the EPLPPS. The FCIC container sizes and volumes are show below.

FCIC SIZE NAME	GALLON MEASUREMENT MIN	GALLON MEASUREMENT MAX	CUBIC INCH EQUIVALENT MIN	CUBIC INCH EQUIVALENT MAX	INCLUDES STANDARD ANSI CLASS
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	1,335.17	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	17.49	2,767.38	4,042.49	15
20 GALLON	17.50	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	9,817.49	N/A
45 GALLON	42.50	47.49	9,817.50	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	17,902.49	N/A
80 GALLON	77.50	82.49	17,902.50	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	174.49	28,759.50	40,309.49	N/A
200 GALLON	174.50	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

Nursery (Field Grown and Container) Catalog Checklist

Crop Year: _____

Date of Review: _____

Policyholder: _____

Carryover Insured or New Insured: _____

State: _____

County: _____

Policy Number: _____

Nursery Name on Catalog (if different than insured name): _____

Agent Name (not agency name): _____

Servicing Company (AIP): _____

I have reviewed the attached, above-referenced catalog. For each minimum requirement, a “Y” indicates the minimum requirement has been met and “N” indicates the minimum requirement has not been met.

If an “N” is entered for one or more requirements in 1-5 below, the catalog is returned to the insured with written notice that the application for insurance is refused because the inventory or catalog is not acceptable.

If a “Y” is entered for all requirements 1-5, one (1) copy of the catalog and a copy of this checklist are sent to the RO.

This catalog:

1. ___ Is typewritten/printed and legible.
2. ___ Shows an issue date on the cover page.
Enter issue date: _____
3. ___ Contains the name, address (excluding PO boxes), and phone number of the nursery.
4. ___ Is provided to customers and used in the sale of plants.
5. ___ Lists each plant’s name, plant or container size, and wholesale price.
6. ___ Date the catalog was received is documented on catalog and checklist.
Enter date received: _____

Name and Title of AIP Reviewer

Date

AIP Reviewer Email Address

AIP Reviewer Phone Number