24-1020
(Released September 2023)

UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation
Controlled Environment Pilot Crop Provisions

In return for your payment of premium and administrative fee for the coverage, these Crop Provisions will be attached to and made part of the Common Crop Insurance Policy, Basic Provisions (Basic Provisions) subject to the terms and conditions described herein.

1. **Definitions**

Amount of insurance – Your selected value (SV) multiplied by the coverage percentage you elect, by your price election percentage, and by your insurable share. The amount of insurance for any loss event after the first loss will be reduced by subtracting the amount included on any prior claim for indemnity made under these Crop Provisions during the crop year. If you elect additional coverage for a plant production practice and restock after a loss, the remaining amount of insurance may be increased by adding an amount equal to the coverage percentage multiplied by your declared value of new plants introduced into the CE if a revised Controlled Environment Value Report (CEVR) is submitted.

Approved sales value – A dollar amount that we determine in order as follows:

(a) The average weighted wholesale price (net of all discounts) you received for each specific plant within each plant category, not to exceed 1.5 times your catalog price, unless otherwise specified in the Special Provisions, determined for:
  (1) The 60-day period immediately preceding the date of the insured cause of loss; or
  (2) If no sales occurred in the 60-day period immediately preceding the date of the insured cause of loss, the 12 calendar months immediately preceding the date of the insured cause of loss; or

(b) If no wholesale sales occurred for the specific plant during the 12 calendar months immediately preceding the date of the insured cause of loss, the average contract price (net of all discounts), not to exceed 1.5 times your 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 and there is no contract price for future wholesale deliveries of the specific plant, then your current 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 you provide to any buyer for any quantity of any specific plant.
  (1) If your catalog does not contain all applicable discounts, your wholesale catalog price for the specific plant will be decreased by 10 percent; and
  (2) 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.

(d) 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.

(e) If a specific plant was not sold in the 12 calendar months immediately preceding the date of the insured cause of loss and no current wholesale catalog price or any unfulfilled contracted sales exist, 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 species and variety (if variety is available) using first (a), then (b).

Average weighted wholesale price – The value obtained by summing each quantity of specific plants sold multiplied by the applicable sales price (excluding all discounts and shipping charges as well as any similar amounts that do not directly relate to the wholesale value of the specific plants) obtained from verifiable sales records for a defined period of time stated in the definition of "approved sales value" and dividing by the total quantity sold of the same specific plant.

Average contract price – For a specific plant, the sum of the sales for future delivery under a written contract (excluding all discounts and shipping charges, as well as any other similar amounts that do not directly relate to the wholesale value of the specific plant) divided by the total quantity of that same specific plant.

Basic unit – In addition to the definition in the Basic Provisions, a basic unit consists of all insurable specific plants within all insured plant categories within each plant production practice that you elect to insure. Refer to section 2(b) for further unit division requirements.

Biosecurity self-certification – A document you complete, that certifies your implementation of good production practices regarding phytosanitary and biosecurity processes.

Catalog – Any document in a format that meets the requirements set forth in section 6(k) issued by your CE and used to advise actual and/or potential wholesale buyers of the amount you are charging for the purchase of each specific plant that you offer for sale, including all applicable discounts. Such documents may be by season or any other basis consistent with your CE's practices. If you have plants in an insured plant category in your CE that are not yet available for sale and are not included in your catalog, you must submit a supplement to the catalog that meets the requirements of section 6(k).

Controlled environment (CE) – A technology-based approach to production that:

(a) Uses fully enclosed structures throughout the entirety of the crop year to produce specific crops with the aim of providing protection and maintaining optimal growing conditions throughout the development of the plants; and

(b) Grows CE plants and derives at least 40 percent of its gross income from the wholesale marketing of such plants.

Controlled Environment Value Report (CEVR) – Your declaration on our form of the insurance choices you elect in accordance with section 6.

Coverage percentage – The percentage of the SV you elect to insure. For additional level of coverage, you may select from 50 percent to 75 percent in 5 percent increments. For CAT level of coverage, the coverage percentage is 50 percent.

Crop year –

(a) For the 2024 crop year, the crop year begins on January 1, 2024, and ends on May 31, 2024, or September 30, 2024, as stated in actuarial documents.

(b) For the 2025 and subsequent crop years, a 12-month period identified by the sales closing date in the actuarial documents that begins June 1 and extends until the immediately following May 31 (May 1 sales closing date) or begins October 1 and extends until the immediately following September 30 (September 1 sales closing date), as applicable. The crop year is designated by the calendar year in which it ends.

Damage factor – A value of 1.00 that we use to determine the post-loss damage value of dead/zero market value plants.

Dead/zero market value plant – A specific plant that, due to an insured cause of loss, must be destroyed pursuant to a destruction order.

Destruction Order – An Emergency Action Notification or other order issued by an official authorized to enforce the terms of the Plant Protection Act or similar regulations established by a State requiring destruction of plants.

Emergency Action Notification – A notice from a government regulatory organization, such as APHIS, that states the actions a controlled environment must take when a disease outbreak or contamination is identified by that government regulatory agency.

Expected value of sales – The expected quantity of marketable product that will be harvested during the crop year from specific plants that are subsequently destroyed multiplied by the average weighted wholesale price.

Good production practices – In addition to the definition of "good farming practices" contained in section 1 of the Basic Provisions, the CE production methods generally used in the area for the insured specific plant and production methods to make normal progress toward the stage of growth at which marketing of the harvested production can occur and:

(a) For conventional production methods, generally recognized by agricultural experts as compatible with the CE plant production practices and weather conditions in the county; or

(b) For organic production methods, generally recognized by the NOP as compatible with the CE plant production practices and weather conditions in the county.

We may, or you may request us to, contact FCIC to determine whether production methods will be considered "good production practices."

Harvest – Removal of specific plants from the CE.

Harvested production – The quantity of specific plants harvested.

Inventory – A compilation of all specific plants and their quantities for all plant categories, whether insured, uninsured, or uninsurable, contained in your CE.

Maximum value – For each insured plant category, the highest total dollar value for all specific plants you anticipate will be in your CE or during each month of the insurance period.

Monthly unit value plan (MUVP) – Your declaration for each basic unit, by month from the first month to the last month within the insurance period, of the maximum value. This declaration must be on our form and is made as part of the CEVR.

NOP – The National Organic Program administered by the Agricultural Marketing Service, USDA.

Plant category – A grouping of plants as identified below and defined in the Special Provisions:

(a) All Cut Flowers and Greenery;
(b) Vegetable and Other Food Crops;
(c) Food and Flower Seed Plants;
(d) Annual Bedding and Garden Plants;
(e) Perennial Bedding and Garden Plants;
(f) Bulbs, Rhizomes, Corms, and Tubers;
(g) Foliage and Tropical Plants;
(h) Trees and Shrubs Seedlings and Grafts;

(i) Propagative Horticultural Materials, including Cuttings and Tissue Cultured Plantlets; and
(j) Other groupings of plants as identified in the actuarial documents.

Plant production practice – A method of plant production as identified below or defined in the Special Provisions:
(a) Soil;
(b) Hydroculture; or
(c) All other growing media.

Post-loss damage value – The total dollar value of all insurable specific plants lost in a basic unit due to an insured cause of loss as determined in section 12 using FCIC approved procedures and the damage factor.

Pre-loss actual unit value – The total dollar value of all insurable specific plants in a basic unit, immediately prior to the occurrence of the loss event, determined for each specific plant by multiplying the approved sales value by the quantity of each specific plant and summing the results for that basic unit.

Price election percentage – A value equal to 1.00 if you elect additional coverage or 0.55 if you elect CAT coverage.

Quantity – For specific plants sold by the count, the actual number of such plants. For specific plants that are harvested, and the production is sold by weight, the number of pounds. The number of cartons or other containers will be converted to an equivalent number of pounds if such measures are used for sale.

Restock – Replacement of lost or dead plants that increases the SV of the insurable inventory to an amount not greater than the amount that existed prior to the date destruction occurred.

Sales closing date – In addition to the definition in the Basic Provisions, the date shown in the Special Provisions by which an application or any changes to coverage must be submitted to us. All applications and changes to coverage are subject to the terms of sections 3, 6, and 9 of these Crop Provisions.

Selected value (SV) – The value you declare on your CEVR of the insurable specific plants in each insured plant category in the basic unit. You may be required at any time we perform an inspection, or at any time upon our request, to provide documentation supporting the maximum values reported.
(a) For additional coverage, The SV may not exceed the highest maximum value for the same plant category reported on your MUVP.
(b) For CAT level of coverage, your SV for each insured practice cannot exceed the lesser of:
    (1) 110 percent of the maximum value for all plant categories in any given month during any of the preceding three crop years; or
    (2) The maximum of the monthly values reported on the MUVP.

Specific plant – A plant identified by the complete botanical or common name as listed in your catalog, or as otherwise defined in the Special Provisions. The products of plants being grown solely for harvest of buds, flowers, greenery, or any portion of the plant are also considered specific plants.

Stock plants – Specific plants used solely for propagation during the insurance period, that you do not sell and do not include in your catalog.

Supporting documentation – Records that support your CEVR and any claim for indemnity that include, but are not limited to, verifiable sales records, inventory records, and a biosecurity self-certification of your CE.

Verifiable sales records – Records that show the sales of specific plants to disinterested third party purchasers during a period specified in these Crop Provisions 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, quantity of each specific plant(s) sold, and the actual wholesale price (excluding all discounts and shipping charges as well as any other similar amounts that do not directly relate to the wholesale value of the specific plants) received for each specific plant.

Wholesale – The sale of specific plants to retailers for resale and not directly to the end-user, except to end-users including but not limited to landscape contractors, government entities or organizations, restaurants, grocers, and commercial fruit and vegetable producers.

2. Unit Division
(a) Section 34 of the Basic Provisions is not applicable.
(b) If you elect additional coverage, the basic unit as defined will be divided into additional basic units for each plant category you choose to insure within each insured plant production practice.

3. Insurance Guarantees, Coverages, and Prices
(a) The production reporting requirements contained in section 3(f) of the Basic Provisions are not applicable.
(b) In addition to the terms of section 3(b)(2)(i) of the Basic Provisions:
    (1) You may elect either CAT or additional coverage for each insured plant production practice. You will owe an administrative fee established in accordance with section 7I of the Basic Provisions for each insured plant production practice for CAT level of coverage and for each insured plant category under each insured plant production practice for additional coverage;
    (2) If you elect additional coverage for an insured plant production practice you may select a different coverage percentage for each insured plant category; and
    (3) For the purpose of establishing the pre-loss actual unit value and the post-loss damage value, you are deemed to have selected 100

percent of the approved sales value for each specific plant.

(4) You may insure a specific plant under a CE policy and under a Nursery Value Select or Nursery (Field Grown & Container) policy, unless restricted by the Special Provisions, however:

(i) Both policies must be insured with the same insurance company; and

(ii) You cannot receive an indemnity on the same specific plant under both policies.

(c) Section 3(e) of the Basic Provisions is amended as follows:

(1) Section 3(e)(1) is not applicable.

(2) In addition to section 3(e)(2), if you request an increase in the coverage percentage or an increase in the SV for the crop year following the currently insured crop year, we may reject such request at any time we discover that damage occurred before insurance was scheduled to attach.

(3) In lieu of section 3(e)(3), your amount of insurance will be as defined in these Crop Provisions.

(4) In addition to section 3(e)(4), if you submit a new CEVR by the applicable sales closing date, but we notify you in writing the CEVR or documentation is unacceptable, you must provide an acceptable CEVR or documentation within 30 days after the date of notice of such rejection. If you submit a new CEVR which is acceptable, insurance will attach on the 31st day after we receive all documents required for an acceptable CEVR. If the CEVR is still not acceptable to us, insurance will not attach for the crop year.

4. Contract Changes

In accordance with section 4 of the Basic Provisions, the contract change date is:

(a) January 31 immediately preceding the crop year for counties with a May 1 sales closing date; and

(b) April 30 immediately preceding the crop year for counties with a September 1 sales closing date.

5. Cancellation and Termination Dates

In accordance with section 2 of the Basic Provisions, the cancellation and termination dates are May 31 for counties with a May 1 sales closing date, and September 30 for counties with a September 1 sales closing date.

6. Controlled Environment Value Report (CEVR)

(a) Section 6 of the Basic Provisions is not applicable.

(b) A CEVR that includes the following documentation must be submitted to us on or before the sales closing date, except as provided in section 6(e), for each insured plant production practice and basic unit:

(1) Your SV consistent with these Crop Provisions, for each insured plant category;

(2) Your elected coverage percentage and your share;

(3) Two printed copies or one electronic copy of your most recent catalog;

(4) The MUVP; and

(5) A copy of your biosecurity self-certification.

(c) In subsequent crop years, in lieu of section 6(b)(4), you may certify on the CEVR there is no material change in the information reported on the MUVP.

(d) You will be notified in writing on or before the end of the 30-day waiting period if your application for insurance is rejected because our inspection determines your CE does not meet insurability requirements, or the CEVR or any other supporting documentation (if requested by us) is not acceptable to us.

(e) For the year of application, if you fail to provide the CEVR required by subparagraph (b) on or before the applicable sales closing date, insurance will not attach until the 31st day after we have received all CEVR documents, unless we reject your application in accordance with section 6(d). We will not be liable for any damage or loss that occurs before insurance has attached. After insurance attaches, we will provide coverage through the end of the insurance period. Your premium will be adjusted according to the proration factor contained in the actuarial documents for the month insurance attached.

(f) Your CEVR, including any revised CEVR, will be used to determine your premium and amount of insurance.

(g) You must provide all the documentation required by these Crop Provisions by the applicable sales closing date if you wish to increase your coverage percentage or SV for the next crop year.

(h) At our discretion, we may perform an inspection of the CE at any time to determine good production practices are followed, and that adequate, acceptable facilities exist to accommodate the inventory.

(i) You may increase your SV for each basic unit no more than twice during the crop year by submitting a revised CEVR, except as provided in section 6(i)(6).

(1) Any requested increase must be made in writing and meet all the requirements for a CEVR described in section 6(b).

(2) We will perform an inspection of the CE to determine good production practices are followed, and that adequate, acceptable facilities exist to accommodate the requested increase in the SV when the total of all SVs reported on the revised CEVR is increased 50 percent or more from the previous total of all SVs on the original

CEVR, and the increase is not due to restocking subsequent to an insured loss.

(3) Your revised CEVR will be accepted by us and insurance will attach on any requested increase in SV 31 days after your written request is received, unless we reject the proposed increase in your SV in writing.

(4) We will reject any requested increase in the SV if any damage occurs within 30 days of the date you make such request. (Rejection can occur at any time we discover such damage has occurred.)

(5) You cannot revise your CEVR to decrease the SV after insurance attaches.

(6) You may increase your SV one additional time if you have suffered an insured cause of loss on a unit and have restocked the CE. You must submit a revised CEVR in writing that meets all the requirements for a CEVR described in section 6(b). Insurance will attach on the increased SV 31 days after your written request is received, unless we reject the requested increase in your SV in writing.

(j) Specific plants we determine were dead/zero market value plants prior to the attachment of insurance coverage are not insurable.

(1) These plants will not be included on the CEVR.

(2) You must maintain the identity of the uninsurable dead/zero market value plants using a method approved by us prior to destroying the plants.

(k) Your catalog must meet the following minimum standards:

(1) Be typewritten or printed and legible;

(2) Show an issue date on the cover page (may be handwritten);

(3) Contain the complete name, address, and phone number of your CE;

(4) Be provided to customers and used in the sale of your plants or, for the purposes of a supplement, be intended for use in the sale of your plants once they are available for sale; and

(5) List each insurable specific plant name (botanical or common), plant or container size, and wholesale price.

7. Premium

(a) In lieu of section 7(c) of the Basic Provisions, we will determine your premium by multiplying the amount of insurance by the appropriate premium rate, and the proration factor contained in the actuarial documents.

(b) In addition to section 7 of the Basic Provisions, we will prorate your premium based on:

(1) For the year of application, the time remaining in the crop year if you submit the documentation required by section 6(b) after the applicable sales closing date.

(2) For a revised CEVR submitted by you and accepted by us, the time remaining in the crop year after insurance attaches on the revised CEVR.

(c) You will owe premium for an entire month for any calendar month or portion thereof during which coverage is provided under these Crop Provisions.

(d) In lieu of section 7(a) of the Basic Provisions:

(1) If you apply for insurance before the premium billing date listed in the actuarial documents, the premium is earned and payable when coverage attaches. You will be billed for the premium and administrative fee no earlier than the premium billing date listed in the actuarial documents.

(2) If you apply for insurance or submit your CEVR or any other required documents contained in section 6 on or after the premium billing date listed in the actuarial documents, the premium for the remainder of the crop year will be due and must be paid at the time of application or submission of your CEVR. Failure to pay the premium at the time of application or when you submit your CEVR will result in no insurance and no indemnity for the crop year.

8. Insured Crop and Plants

In lieu of sections 8 and 9 of the Basic Provisions, the insured crop will be all specific plants grown in a CE within each insured plant production practice for CAT level of coverage, and each plant category you choose to insure within each insured plant production practice for additional level of coverage and that:

(a) You have an insurable share;

(b) Are specific plants determined by us to be acceptable;

(c) Are grown in a county for which a premium rate is provided in the actuarial documents;

(d) Are grown in a CE determined by us to be acceptable;

(e) Are irrigated unless otherwise provided by the Special Provisions (you must have adequate irrigation equipment and water to irrigate all insurable plants at the time coverage attaches and throughout the insurance period);

(f) Are grown in accordance with the plant production practices for which premium rates have been established;

(g) Are grown in an appropriate medium (e.g., soil, hydroculture/water, air);

(h) Are not grown solely as stock plants;

(i) May produce edible fruits, nuts, buds, flowers, or greenery for sale; and

(j) Are not any plant classified by a federal, state or county as illegal to grow or sell in the county in which the CE is located. For example, growing or selling plants classified as invasive species is illegal in many states and counties.

9. Insurance Period

(a) In lieu of section 11 of the Basic Provisions:
   (1) For the 2024 crop year, for the year of application, if you provide the CEVR required in section 6:
      (i) On or before the sales closing date, insurance attaches on January 1, unless we notify you in writing that your application is rejected because the documentation you provided is not accepted by us;
      (ii) After the sales closing date, insurance attaches on the 31st day after we receive all documents required in section 6, unless we notify you in writing that your application is rejected because the documentation you provided is not accepted by us;
   (2) For the 2025 and subsequent crop years, for the year of application, if you provide the CEVR required in section 6:
      (i) On or before the sales closing date, insurance attaches on June 1 or October 1, as applicable, unless we notify you in writing that your application is rejected because the documentation you provided is not accepted by us;
      (ii) After the sales closing date, insurance attaches on the 31st day after we receive all documents required in section 6, unless we notify you in writing that your application is rejected because the documentation you provided is not accepted by us; and
   (3) For each subsequent crop year, insurance will attach on June 1 or October 1, as applicable:
      (i) At the same coverage percentage and SV as the previous crop year if you provide the certification identified in section 6(c); or
      (ii) At the coverage percentage and SV chosen for that crop year.
(b) Insurance ends on a basic unit, or portion thereof, at the earliest of:
   (1) The date of final adjustment of a loss when the total of all indemnities equals the amount of insurance;
   (2) Harvest of the crop;
   (3) Removal of specific plants from the CE;
   (4) Failure of the structure or its equipment or any action that caused failure such that CE cannot be maintained;
   (5) End of day on May 31 or September 30, as applicable;
   (6) Abandonment or destruction of the crop in the unit; or
   (7) For specific plants, when determined to be dead/zero market value plants.

10. Causes of Loss

(a) In lieu of section 12 of the Basic Provisions, insurance is provided for unavoidable damage caused only by the unknown introduction of a plant disease or contamination into the CE at no fault of the CE operator resulting in a destruction order that requires destruction of the plants.
(b) In addition to the causes of loss excluded in section of the Basic Provisions, we do not insure:
   (1) The inability to market the specific plants resulting solely from:
      (i) The refusal of a buyer to accept such plants; or
      (ii) Boycott.
   (2) Any damage or loss of production for any reason other than a disease or contamination that requires destruction of the insured plants.
   (3) Any cause of loss if the only damage suffered is a failure of specific plants to grow to an expected size; or
   (4) Damage to specific plants due to failure to follow recognized good production practices.

11. Duties in the Event of Damage or Loss

(a) In addition to your duties contained in section 14 of the Basic Provisions,
   (1) You must obtain our written consent for each basic unit prior to:
      (i) Destroying or otherwise disposing of any dead/zero market value plants; or
      (ii) Changing or discontinuing your normal and customary good production practices related to the care and maintenance of the specific plants.
   (2) You must submit a claim for indemnity to us on our form no later than 60 days after the date of your loss for each applicable basic unit, but in no event later than 60 days after the end of the insurance period. We will waive this requirement if the final adjustment of your claim is totally or partially deferred because we are unable to make an accurate determination of the amount of damage to the specific plants. If we notify you that we are unable to make an accurate determination of damage on all or some of your specific plants:
      (i) For those specific plants in the basic unit on which the loss adjustment and claim have not been deferred, you must submit a claim for such specific plants in accordance with this section and we will settle your claim on such specific plants;
      (ii) For those specific plants in the basic unit on which the loss adjustment and claim have been deferred, we will determine the post-loss damage value 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

(iii) You must maintain the identity of the insured dead/zero market value plants using a method approved by us. Failure to maintain those records will result in those plants being uninsurable for the remainder of the crop year.

(b) If you fail to obtain our written consent as required by section 11(a)(1), your claim will be denied on each basic unit for which written consent was not obtained.

(c) If you fail to meet the above requirements and such failure results in our inability to inspect the dead/zero market value plants, any damage to such insured plants will be considered uninsurable, and the claim will be denied.

(d) Prior to our determination of the amount of any loss, you must provide acceptable documentation to us that supports your CEVR and inventory immediately prior to the loss occurrence.

(1) Required documentation includes, but is not limited to, the following:

(i) A detailed listing that includes the full name of each specific plant;

(ii) Acceptable, verifiable sales records for any specific plants that were sold the previous 60 days or 12 months, as applicable, that support the determination of an approved sales value for each specific plant as described in section 1; and

(iii) Documentation or demonstrated performance of your ability to properly obtain specific plants and carry out good production practices related to the maintenance of the specific plants.

(2) If you fail to provide the required documentation you will still owe premium based upon your SV, but you will not receive an indemnity for any specific plant for which you did not provide such documentation.

(e) You must maintain an inventory. If requested, you must provide:

(1) Your most recent inventory; and

(2) Purchase and verifiable sales records from the date of your most recent inventory to the date of loss occurrence;

(f) You must provide any information that we request to verify you have followed good production practices.

(g) You must provide a copy of the destruction order.

(h) Prior to receiving an indemnity, we must verify that you destroyed or disposed of the dead/zero market value plants by a method approved by us. We will determine the quantity of each specific plant destroyed or disposed of as described in section 12(c).

12. Settlement of Claim

(a) We will determine an indemnity for each basic unit as follows:

(1) Determine the pre-loss actual unit value;

(2) Determine the post-loss damage value as set forth in section 12(c);

(3) Determine the percent of loss by dividing the result of section 12(a)(2) by the result of section 12(a)(1);

(4) Multiply the percent of loss by the coverage percentage; and

(5) Multiply the result of 12(a)(4) by the lesser of the:

(i) Pre-loss actual unit value; or

(ii) SV minus any previous loss for the basic unit;

(6) Multiply the result of 12(a)(5) by the price election percentage; and

(7) Multiply the result from section 12(a)(6) by your share.

If the result of section 12(a)(7) is greater than zero, an indemnity not to exceed the remaining amount of insurance is owed.

(b) The total of all indemnities paid for the crop year will not exceed the amount of insurance.

(c) The post-loss damage value will be determined as follows:

(1) We will determine the number of specific plants in the unit that were ordered to be destroyed due to a covered cause of loss.

(2) We will multiply the result of section 12(c)(1) by the approved sales value for each of the specific plants in the unit.

(3) We will multiply the result of section 12(c)(2) by the damage factor.

(4) We will sum the results of section 12(c)(3).

13. Late and Prevented Planting

The late and prevented planting provisions in the Basic Provisions are not applicable.

14. Written Agreements

The written agreement provisions in the Basic Provisions are not applicable.

15. Examples

Single Unit Example: Pre-Loss Actual Unit Value Exceeds SV

Assume you have a 100 percent share and your SV based on your MUVP plan is $500,000. Your coverage percentage is 75 percent. Your amount of insurance is $375,000 (($500,000 × 0.7500) × 1.0000 share). You have not had any previous indemnity on the basic unit during the crop year. At the time of loss, we determine that your pre-loss actual unit value is $600,000. At the time of loss, we determine that 15,000 specific plants with an approved sales price of $20.00 each in the basic unit were ordered to be destroyed due to a plant disease. The post-loss damage value is 15,000 specific plants × $20.00 = $300,000.

We determine there is no damage due to uninsured causes of loss. Your indemnity is calculated as follows for basic units with additional coverage:

(a) Determine the pre-loss actual unit value: $600,000;
(b) Determine the post-loss damage value: $300,000;
(c) Determine the percent of loss [step (b) ÷ step (a)]: $300,000 ÷ $600,000 = 0.5000;
(d) Multiply the percent of loss (step (c)) by the coverage percentage: 0.5000 percent × 0.75 = 0.3750;
(e) Multiply the result of step (d) by the lesser of the pre-loss actual unit value or the SV minus any prior losses: 0.3750 × $500,000 = $187,500;
(f) Multiply the result of step (e) by the price election percentage: $187,500 × 1.00 for additional coverage = $187,500;
(g) Multiply the result of step (f) by the share: $187,500 × 1.000 = $187,500. Your indemnity equals the result of step (g).

Your indemnity will be calculated as follows for a basic unit with CAT coverage:

(a) Determine the pre-loss actual unit value: $600,000;
(b) Determine the post-loss damage value: $300,000;
(c) Determine the percent of loss [step (b) ÷ step (a)]: $300,000 ÷ $600,000 = 0.5000;
(d) Multiply the percent of loss (step (c)) by the coverage percentage: 0.5000 percent × 0.50 = 0.2500;
(e) Multiply the result of step (d) by the lesser of the pre-loss actual unit value or the SV minus any previous losses: 0.2500 × $500,000 = $125,000;
(f) Multiply the result of step (e) by the price election percentage: $125,000 × 0.55 for CAT level of coverage = $68,750;
(g) Multiply the result of step (f) by the share: $68,750 × 1.000 = $68,750.

Your indemnity equals the result of step (g).

Single Unit Example: Pre-Loss Actual Unit Value is less than SV

Assume you have a 100 percent share and your SV based on your MUVP is $600,000. Your coverage percentage is 75 percent. Your amount of insurance is $450,000 (($600,000 × 0.7500) × 1.0000 share). You have not had any previous indemnity on the basic unit during the crop year. At the time of loss, we determine that your pre-loss actual unit value is $500,000. The post-loss damage value is the same as shown in the previous example 1, which is $300,000. We determine there is no damage due to uninsured causes of loss. Your indemnity for additional coverage is calculated as follows:

(a) Determine the pre-loss actual unit value: $500,000;
(b) Determine the post-loss damage value: $300,000;
(c) Determine the percent of loss [step (b) ÷ step (a)]: $300,000 ÷ $500,000 = 0.6000;
(d) Multiply the percent of loss (step (c)) by the coverage percentage: 0.6000 × 0.75 = 0.4500;
(e) Multiply the result of step (d) by the lesser of the pre-loss actual unit value or the SV minus any previous losses: 0.4500 × $500,000 = $225,000;
(f) Multiply the result of step (e) by the price election percentage: $225.000 × 1.00 = $225,000;
(g) Multiply the result of step (f) by the share: $225,000 × 1.000 = $225,000.

Your indemnity equals the result of step (g).

Your indemnity will be calculated as follows for a basic unit with CAT coverage:

(a) Determine the pre-loss actual unit value: $500,000;
(b) Determine the post-loss damage value: $300,000;
(c) Determine the percent of loss [step (b) ÷ step (a)]: $300,000 ÷ $500,000 = 0.6000;
(d) Multiply the percent of loss (step (c)) by the coverage percentage: 0.6000 × 0.50 = 0.3000;
(e) Multiply the result of step (d) by the lesser of the pre-loss actual unit value or the SV minus any prior losses: 0.3000 × $500,000 = $150,000;
(f) Multiply the result of step (e) by the price election percentage: $150,000 × 0.55 for CAT level of coverage = $82,500;
(g) Multiply the result of step (f) by the share: $82,500 × 1.000 = $82,500. Your indemnity equals the result of step (g).