



COMMODITY INSURANCE FACT SHEET

January 2009

Nursery

Insurance

Nursery crop insurance is available in all States to wholesale nurseries that meet certain criteria. Insurance coverage will apply by practice (**field-grown or container**) to all of your nursery plants in a county that:

- Are on the eligible plant list;
- Meet all the requirements for insurability; and
- Are grown in an appropriate medium using acceptable production practices.

Nursery containers containing two or more different genera, species, subspecies, varieties, or cultivars cannot be insured. Also, Christmas trees cannot be insured. Plants producing edible fruits and nuts can be insured if the plants are available for sale (harvesting the edible fruit or nuts does not affect insurability). Your insurance company will inspect your nursery before insurance coverage begins.

Duties in the Event of Damage or Loss

Notify your agent within 72 hours (3 days) of your initial discovery of damage and submit a claim for indemnity no later than 60 days after the end of the insurance period.

Causes of Loss

Adverse weather conditions¹

Failure of irrigation water supply²

Fire³

Wildlife

¹Including wind, hurricane, and freeze. If cold protection is required by the eligible plant list, adequate and operational cold protection measures must be in place. ²If due to an insurable cause of loss. ³Provided weeds and undergrowth are controlled.

Plant damage or losses in value as a result of the following situations are **not** covered:

Collapse or failure of buildings/structures¹

Disease or insect infestation²

Failure of plants to grow to an expected size

Inadequate power supply³

Inability to market nursery products⁴

¹Unless caused by an insurable cause of loss. ²Unless effective control measures for the infestation do not exist. ³Unless such inadequacy is a result of an insurable cause of loss. ⁴Due to stop sales order, quarantine, boycott, phytosanitary restriction on sales, or buyer refusal.

Definitions

Amount of Insurance - The result of multiplying the full value of all insurable plants in each basic unit by the selected coverage level percentage, multiplied by your share.

Container-Grown Plants - Nursery plants planted and grown in standard nursery containers either above ground or placed in the ground, either directly or when placed in another pot in the ground (pot-in-pot).

Eligible Plant List - A list that includes the botanical and common names of insurable plants, the winter protection requirements for container-grown material and the areas in which they apply, the hardiness zone to which field-grown material is insurable, the designated hardiness zone for each county, and the unit classification for each plant on the list, can be found on RMA's Web site at www.rma.usda.gov. It is also available on compact disk from your crop insurance agent.

Field-Grown Plants - Nursery plants planted and grown in the ground without the use of an artificial root containment device.

Liners - Insurable if the containers are equal to or greater than 1 inch in diameter (including trays containing 200 or fewer individual cells), but less than 3 inches in diameter at the widest point of the container or cell interior, have an established root system, and are able to maintain a firm root ball when lifted from the containers.

Stock Plants - Stock plants that are used solely for propagation during the insurance period or plants grown for harvest of buds, flowers, or greenery cannot be insured.

Plant Inventory Value Report (PIVR)

This report declares the value of your insurable plants. RMA requires a PIVR for each insured practice. Two copies of your most recent wholesale catalog or price list must accompany your PIVR. Wholesale catalogs must:

- Be typewritten and legible;
- Show an issue date on the cover page (may be handwritten);
- Contain name, address, and telephone number of nursery;
- Be used for plant sales to customers; and
- List plant names, container sizes, and wholesale prices.

Peak Inventory Endorsement

For increased coverage during certain periods when your inventory value may be significantly higher than the annual plant inventory value, you may want to consider a peak inventory endorsement (not available with Catastrophic (CAT) coverage). Contact your crop insurance agent for further details.

Rehabilitation Endorsement

The endorsement provides reimbursement for expenditures on labor and material for pruning and setup (righting, propping, and staking) of field-grown plants that are damaged by an insured cause of loss and have a reasonable expectation of recovery. The Rehabilitation Endorsement is not available with CAT. Contact your crop insurance agent for further details.

Coverage Levels and Premium Subsidies

Coverage levels range from 50 to 75 percent of your plant inventory value. Crop insurance premiums are subsidized as shown in the following table. For example, if you selected the 75-percent coverage level, your premium share would be 45 percent of the base premium: CAT coverage is fixed at 27.5 percent of your plant inventory value. The only cost for CAT coverage is an administrative fee of \$300.

Loss Example

\$100,000	Plant inventory value
x .65	Coverage level percentage
\$65,000	Unit amount of insurance

In the event of a loss:

\$100,000	Field market value before loss
- \$50,000	Field market value after loss
\$50,000	Value of loss
- \$35,000	Deductible*
\$15,000	Indemnity

Item	Percent					
Coverage level	50	55	60	65	70	75
Premium subsidy	67	64	64	59	59	55
Your premium share	33	36	36	41	41	45

*(1 - coverage level) X inventory = (1 - .65) X \$100,000 = \$35,000

This fact sheet gives only a general overview of the crop insurance program and is not a complete policy. For further information and an evaluation of your risk management needs, contact a crop insurance agent. To find an agent, please visit our online agent locator at: <http://www3.rma.usda.gov/tools/agents/companies/>

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