



United States Department of Agriculture  
Risk Management Agency

October 2008

## 2009 COMMODITY INSURANCE FACT SHEET

# Florida Fruit Tree (Pilot) Florida

### Crop Insured

The trees insured will be those of each of the following crops that are grown to produce a commodity intended to be sold as fruit or juice for human consumption for which 1) you elect insurance coverage, 2) you have a share, and 3) a premium rate is quoted in the actuarial documents:

- Avocado trees
- Carambola trees
- Grapefruit trees
- Lemon trees
- Lime trees
- Mango trees
- Orange trees (Includes early, mid, and late season; Navel; and Temple)
- Other citrus trees (includes Tangerine, Tangelo, and Murcott)

### Counties Available

Avocado, Carambola, and Mango trees: Miami-Dade

Grapefruit, Lemon, Lime, Orange, and other citrus trees are insurable in 29 counties. See your insurance agent for a listing of eligible counties.

### Causes of Loss

Excess moisture  
 Flooding<sup>1</sup>  
 Freeze  
 Wind

<sup>1</sup> Due to high groundwater levels, if allowed by the special provisions.

### Insurance Period

Insurance attaches for each crop year on June 1 for carryover policies when an acreage report is submitted by the sales closing date.

For new insureds:

- When a new completed application is received by the sales closing and all other policy requirements are met, coverage begins on June 1;
- For applications received after the sales closing date, coverage begins 45 days after we receive your completed application, subject to all other requirements of the policy.

The insurance period ends the earlier of: (1) May 31 of the crop year; or (2) our determination of the total destruction of insured trees on the unit.

### Reporting Requirements

**Acreage Report**—You must submit a report annually to your insurance company, by stage-block for the unit, the stage and number of trees (insurable and non-insurable). A **Pre-Acceptance worksheet** and a **grove identification map** must be submitted with new applications. If any trees are added, a revised worksheet and map must also be submitted, by the acreage reporting date.

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

### Important Dates

Sales Closing.....	May 1
Acreage Reporting.....	May 1
Premium Billing.....	March 1
Cancellation/Termination.....	May 1

### Definitions

**Block**—A stand of trees of the same crop on acreages sharing a common boundary with no discernable change in the planting pattern.

**Stage-block**—A block in which at least 75 percent of the trees are at the same stage when insurance attaches.

**Stage**—A classification system which relies on the age of trees, the number of years after buck-horning, top-working, or re-setting, and is used to determine unit value.

**Stand of damaged trees**—The area(s) within a unit where damage due to the same insurable cause of loss is used to determine the damage value for the unit.

### Coverage Levels and Premium Subsidies

Coverage level options range from 50 to 75 percent of the maximum reference prices per tree shown on the price addendum. As an example, if the maximum reference dollar amount is \$41 per tree and there are 500 trees in the grove, the 65-percent coverage level results in a \$13,325 guarantee for the 500 tree grove (\$41 x 500 tree x .65). Premiums are subsidized as shown in the table below.

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

Catastrophic (CAT) coverage: Use 55 percent of the maximum reference price for the appropriate stage rounded to the nearest cent. The cost for CAT coverage is an administrative fee of \$300 per crop per county, regardless of the acreage.

### Occurrence Loss Option (OLO)

This option may be elected by an insured, for an additional fee. OLO must be selected on or before the sales closing date and it is not available under the Catastrophic Risk Protection endorsement (CAT). An indemnity may be paid under this option if the amount of insured damage within the unit is at least five-percent.

### Comprehensive Tree Value (CTV)

For an additional premium, CTV is available as an endorsement to the policy and provides supplemental coverage for eligible trees. CTV must be elected at the time of application or by the sales closing date. Trees must be reported on the acreage report by stage-block and tree sub-type. Carambola, lemon, lime, and mango trees are not eligible under the CTV endorsement. Stage I trees are not insurable under this endorsement. See your crop insurance agent for more details.

### Loss Example

This example is based on a unit of 1,000 orange trees in growth stage III, insured at the 75-percent coverage level, with a \$51 price per tree, and 40 percent of trees totally destroyed.

Coverage:

1,000	Orange trees
x \$ 52	Price per tree
\$52,000	
x .75	Coverage level election
\$ 39,000	Amount of insurance per unit

Unit Deductible:

1,000	Orange trees
x \$ 52	Price per tree
\$ 52,000	
x .25	Deductible (100 - 75-percent coverage)
\$ 13,000	Unit deductible

Indemnity:

1,000	Orange trees
x .40	Percent trees destroyed
400	Destroyed trees
x \$ 52	Price per tree
\$ 20,800	
- 13,000	Unit deductible
\$ 7,800	<b>Indemnity for the unit</b>

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