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TEXAS CITRUS TREE CROP INSURANCE STANDARDS HANDBOOK

2014 and Succeeding Crop Years

**UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250**

TITLE: TEXAS CITRUS TREE CROP INSURANCE STANDARDS HANDBOOK	NUMBER: 20150U
EFFECTIVE DATE: 2014 and succeeding Crop Years	ISSUE DATE: June 28, 2013
SUBJECT: Provides the procedures and instructions for administering the Texas Citrus Tree crop insurance program	OPI: Actuarial and Product Design Division
	APPROVED: <i>/s/ Tim B. Witt</i> Deputy Administrator for Product Management

REASON FOR ISSUANCE

The Texas Citrus Tree Crop Insurance Standards Handbook is being issued and effective for the Texas Citrus Tree insurance program available beginning with the 2014 crop year.

This handbook provides procedures and instructions for administering the Texas Citrus Tree insurance program.

Control Chart For: Texas Citrus Tree Crop Insurance Standards Handbook							
	TP Page(s)	TC Page(s)	Text Page(s)	Exhibit Number	Exhibit Page(s)	Date	Directive Number
Insert	Entire Handbook						
Current Index	1	1	1-13	1	1	06-2013	RMA-20150U
				2	1-3	06-2013	RMA-20150U
				3	1-4	06-2013	RMA-20150U
				4	1-3	06-2013	RMA-20150U
				5	1	06-2013	RMA-20150U

FILING INSTRUCTIONS

This handbook replaces FCIC 20150, Texas Citrus Tree Crop Insurance Standards Handbook dated June 28, 2012. This handbook is effective for the 2014 and succeeding crop years and is not retroactive to any 2013 or prior crop year determinations.

**TEXAS CITRUS TREE INSURANCE CROP INSURANCE STANDARDS HANDBOOK
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PART 1 GENERAL INFORMATION AND RESPONSIBILITIES

1 Purpose

The purpose of this UG is to provide supplementary instructions for establishing citrus tree crop insurance coverage in accordance with the Texas Citrus Tree CP (14-TCT) and the Texas Citrus Tree LASH (FCIC-20150L).

In the course of delivering Texas Citrus Tree 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, DSSH, 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. The Collection of Information and Data (Privacy Act) Statement and the Nondiscrimination Statement must be included on any form the insured signs or must be provided to the insured on a separate form, for each form that is signed by the insured. A copy must be maintained by the AIP. The Certification Statement must be included on any form that the insured signs that collects information from the producer

2 Background Information

RMA implemented a modified Texas Citrus Tree Program for all citrus trees beginning with the 2012 crop year. The modified program is patterned after the Florida Fruit Tree Pilot Program and provides an indemnity for trees that are either damaged or destroyed by freeze, wind, excess moisture, and other listed perils during the insurance period. The program's insurance coverage is based on a specified dollar amount of insurance per tree. The modified Texas program replaces the citrus tree program that had been available in Texas through the 2011 crop year. The former citrus tree insurance program was a dollar amount of insurance per acre program. All citrus trees insurable under the former program will be insurable under the modified program with the addition of several new insurable types of tangerines.

3 Availability

The Texas Citrus Tree Program is available in Cameron, Hidalgo, and Willacy Counties.

4 Eligibility

A. Texas Citrus Tree Program

The Texas Citrus Tree Program is available to all persons with a share in a citrus tree grove in the counties listed in section 4 that produce and market a crop (early, mid, and late season oranges; Rio Red, Star Ruby, Ruby Red, and all other grapefruit; tangerines, other tree types as may be specified on the SP) intended to be sold as fruit or juice for human consumption in accordance with the BP, Texas Citrus Tree CP, and SP.

4 Eligibility (Continued)

B. Ineligible Persons

Any person with a delinquent debt to RMA or an AIP or who is otherwise ineligible under the BP may not obtain Texas citrus tree insurance coverage.

5 Important Dates

A. Contract Change Date

June 30, preceding the CD

B. Sales Closing Date

November 1

C. Cancellation and Termination Dates

November 30 before the beginning of the crop year

D. Premium Billing Date

June 1 of the calendar year in which the insurance period ends

E. Acreage Reporting Date

For new and carryover insureds, November 30

F. Beginning of the Insurance Period Dates

- (1) For new policies: On December 1 following the SCD date unless the AIP notifies the insured that all or a part of the insured's trees are not insurable;
- (2) For carryover policies: December 1 of the crop year; or
- (3) Upon set out for trees initially set out and for trees set out as replacement trees after the December 1 for the crop year. A revised acreage report is required to increase the amount of protection and the trees must be inspected and accepted by the AIP. The report must be submitted within 72 hours of set out and be approved by the AIP before insurance will attach.

G. Calendar Date for the End of the Insurance Period

November 30 of the crop year

6 Coverage Levels and Policy Changes

A. Coverage Levels

The insured may select only one coverage level for each crop insured, as specified in Section 3 of the CP.

6 Coverage Levels and Policy Changes (Continued)

B. Policy Changes

Changes to the insurance coverage that would become effective for the current crop year are limited as follows:

- (1) For new policies, changes may not be made after the SCD.
- (2) In subsequent years, for carryover policies, the insured may elect for the crop year on the applicable form:
 - (a) By the SCD:
 - (i) A higher coverage level,
 - (ii) To add optional coverage (Comprehensive Tree Value Endorsement, Occurrence Loss Option, or Coverage Enhancement Option).
 - (b) By the ARD to:
 - (i) Increase the insured share; or
 - (ii) Report additional insurable trees such that the amount of protection increases more than ten percent. The additional trees must be inspected and accepted before insurance will attach.

However, if insured damage is evident at the time the election is made under section 8B(2)(a) or if damage occurs after the SCD but before the date insurance coverage attaches for the crop year under section 6B(2)(a) or (b), any election or change made under section 6(B)(2) will not be effective for the crop year for which the election or reported change was made.

7 Additional Responsibilities

A. Agent Responsibilities

In addition to the responsibilities discussed in the CIH, the agent will assist the insured in completing the annual acreage report and advise insureds of their responsibility to comply with all of the reporting requirements of the policy.

- (1) The agent will assist the insured to ensure that the stage-blocks reported by the insured are established in accordance with the definition of stage found in the Crop Provisions and the stage table in section 10D of this UG.
- (2) The agent will assist the insured in correctly reporting the number of trees by block within the unit by utilizing plat maps, Grove Identification Maps, past acreage reports, and/or other relevant sources.

B. Insured Responsibilities

In addition to the responsibilities discussed in the CIH, the insured must accurately report the number of trees in each unit, by stage-block, as well as the applicable planting dates on the Florida/Texas Tree Producer Pre-Acceptance Worksheet, Grove Identification Map, and the acreage report. If the insured is unable to correctly report this information, the agent should be requested to provide assistance.

PART 2 TEXAS CITRUS TREE PROVISIONS AND PROGRAM DETAILS

8 Insured Crop

A. Insured Commodity and Crop (Type)

The insured commodity and crop (type) are listed in the SP. The insured crop is each separate type specified and elected for insurance by the insured. The insurable commodities and crop/types are shown below:

Commodity	Crop/Type
(1) Orange Trees	Early and Mid-Season Oranges;
(2) Orange Trees	Late Oranges;
(3) Grapefruit Trees	All Other Grapefruit;
(4) Grapefruit Trees	Rio Red and Star Ruby;
(5) Grapefruit Trees	Ruby Red; and
(6) Tangerines Trees	Multiple Types (see Special Provisions)

Other commodities and crop/types may be insurable if specified on the SP.

A separate administrative fee is due for each separate crop/type insured.

B. Insurability

In accordance with section 8 of the BP, the insured crop will be the trees of each type for which the insured elects insurance coverage and a premium rate is quoted in the AD:

- (1) That are grown in the county listed on the insured's application;
- (2) In which the insured has a share;
- (3) That are adapted to the production area;
- (4) That are grown to produce a crop intended to be sold as fruit or juice for human consumption;
- (5) That have the potential to produce a yield typical of a healthy tree of the same age as the subject trees unless such trees were topworked or buckhorned and qualify as stage I or II; and
- (6) That are irrigated.

C. Exclusions

In addition to the exclusions listed in section 8 of the BP, the insured crop will not include any trees that:

8 Insured Crop (Continued)

- (1) Have been grafted within a 12-month period before the date insurance attaches, unless the grafting is a result of topworking;
- (2) Are non-grafted seedlings (grown from seed);
- (3) Are unsound, diseased, or unhealthy;
- (4) Are toppled;
- (5) Were damaged by a cause of loss before the beginning of the insurance period. If trees suffered such damage the previous crop year, then insurance will not attach until the previous year's damage is determined, the insured submits a revised acreage report, and the trees are accepted by the AIP; or
- (6) Are inspected by the AIP and considered unacceptable.

References to the insured crop (type) apply individually to each citrus tree type specified in the SP for all purposes under the Texas Citrus Tree Policy, including but not limited to, coverage level election, administrative fees, and optional coverages.

9 Causes of Loss

A. Crop Provisions – Insured Causes

The CP provide crop insurance coverage only against the following causes of loss that occur within the insurance period:

- (1) Freeze;
- (2) Wind;
- (3) Excess moisture;
- (4) Hail;
- (5) Flood;
- (6) Fire, unless weeds and other forms of undergrowth have not been controlled or pruning debris removed;
- (7) Insects, diseases, and other pathogens, as specifically provided by the SP; or
- (8) Failure of the water supply caused by an insured peril or drought during the insurance period.

B. Crop Provisions – Exclusions

In addition to causes of loss excluded in Section 12 of the BP, damage other than actual damage to the tree due to the causes specified above is not insured.

10 Establishing the Amount of Protection for the Unit

A. Amount of Protection (unit)

The dollar amount for the unit calculated by multiplying the number of insurable trees reported by the insured in each stage-block times the applicable reference price for the stage, totaling these values, and then multiplying this result times the insured's coverage level.

- (1) The applicable reference price is the Tree Reference Price shown in the AD;
- (2) Under the CTVE, the applicable reference price is the Maximum CV Reference Price for the crop and insured citrus tree type shown in the actuarial documents.

B. Certification

Applicants for insurance certify the numbers and ages of trees to be insured by completing a Florida/Texas Tree Grove Producer Pre-Acceptance Worksheet (shown in Exhibit 3 with instructions for completion).

- (1) The applicant identifies the blocks of trees in each unit and provides information about the numbers of trees and planting dates used to designate the stage-blocks that comprise each unit.
- (2) The applicant also provides a Grove Identification Map (shown in Exhibit 4 with instructions for completion) that shows locations of the stage-blocks identified in the worksheet.
- (3) Insureds are not required to submit new worksheets or maps in subsequent years of coverage unless changes occur which alter the numbers of trees and/or stage-block designation. (The insured may use the original worksheet to certify that no changes have occurred. [See Exhibit 3, Remarks instructions and sample worksheet.]

C. 75/25 Rule for Determining Tree Stages

- (1) Insureds must report trees by block on the Florida/Texas Tree Grove Producer Pre-Acceptance Worksheet (shown in Exhibit 3).
 - (a) For blocks in which 75% or more of the trees are the same stage, the insured may report the block as one stage-block.

Example 1: An insured has one unit of early oranges with 400 stage III trees, 50 stage II trees, and 50 stage I trees.

The block may be reported as follows:

Block No.	Stage-Block	Stage	No. of Trees
1	1-III	III	500

10 Establishing the Amount of Protection for the Unit (Continued)

The insured elects a 75% coverage level. The stage III tree reference price is \$50 and the maximum CV reference price is \$65.

$$\text{Amount of protection}_{\text{Tree}} = (500 \times \$50) \times 75\% = \$18,750$$

$$\text{Amount of protection}_{\text{CTVE}} = (500 \times \$65) \times 75\% = \$24,375$$

Example 2: The 50 stage I trees in the preceding example could be reported as a separate block if there were a distinct change in planting pattern in one area of the grove (e.g. end rows at the edge of a grove).

The insured may report the blocks as follows:

Block No.	Stage-Block	Stage	No. of Trees
1	1-III	III	450
2	2-I	I	50

The stage I tree reference price is \$25.

$$\text{Amount of protection}_{\text{Tree}} = ((450 \times \$50) + (50 \times \$25)) \times 75\% = \$17,813$$

$$\text{Amount of protection}_{\text{CTVE}} = (450 \times \$65) \times 75\% = \$21,938$$

The CTVE Amount of Protection includes only the stage-III block. Stage-I blocks are not eligible for the CTVE.

- (b) For blocks in which less than 75% of the trees are the same stage, the insured must separate the blocks into stage-blocks and report the number of trees in each stage-block.

Example: A insured has one unit of early oranges with 300 stage III trees, 100 stage II trees, and 100 stage I trees.

The block must be reported as follows:

Block No.	Stage-Block	Stage	No. of Trees
1	1-III	III	300
1	1-II	II	100
1	1-I	I	100

The instructions contained in the previous subsection C(1)(b) could also be applied to this example for reporting purposes.

The insured elects a 75% coverage level. The tree reference prices are \$50 for stage III, \$40 for stage II, and \$25 for stage I;

10 Establishing the Amount of Protection for the Unit (Continued)

The maximum CV reference prices are \$65 for stage III and \$34 for stage II.

$$\text{Amount of protection}_{\text{Tree}} = (100 \times \$25) + (100 \times \$40) + (300 \times \$50) \times 75\% = \$16,125$$

$$\text{Amount of protection}_{\text{CTVE}} = (100 \times \$34) + (300 \times \$65) \times 75\% = \$17,175$$

- (c) If the trees described in (c) were inter-planted, the three stage-blocks would be shown in the same location on the Grove Identification Map.

D. Tree Stages

Tree stages will be based on the number of crop years since the trees were set out; buckhorned, or topworked; or rehabilitated or reset and assigned as follows:

Event Crop Year		Stage for Each Crop Year Following Event Crop Year						
		Crop year 1	Crop year 2	Crop year 3	Crop year 4	Crop year 5	Crop year 6	Crop year 7+
Set Out	Stage I	Stage I	Stage I	Stage II	Stage II	Stage II	Stage II	Stage III
Buckhorn - Topworked	Stage I	Stage I	Stage II	Stage II	Stage II	Stage III	Stage III	Stage III
Rehabilitated -Reset	Stage I	Stage II	Stage II	Stage III				

Stage Example – For the 2010 Crop Year

Event Crop Year – 2010 (12/1/2009 – 11/30/2010)		Stage for Each Crop Year Following Event Crop Year						
		Crop Year 2011	Crop year 2012	Crop year 2013	Crop year 2014	Crop year 2015	Crop year 2016	Crop year 2017+
Set Out	Stage I	Stage I	Stage I	Stage II	Stage II	Stage II	Stage II	Stage III
Buckhorn - Topworked	Stage I	Stage I	Stage II	Stage II	Stage II	Stage III	Stage III	Stage III
Rehabilitated -Reset	Stage I	Stage II	Stage II	Stage III				

10 Establishing the Amount of Protection for the Unit (Continued)

If the set out date was June 2010, the crop would be considered set out in the 2010 crop year and in Stage I and would remain Stage I for crop years 2011 and 2012, then would be Stage II in crop years 2013 – 2016 and reach stage III for the 2017+ crop years.

11 Acceptable Records

A. Acceptable Records

Acceptable records may be requested at the time of loss to substantiate the tree counts and stages reported by applicants/insureds. Insureds are not required to submit copies of their records to the AIP unless required by the loss adjuster at the time of claim settlement due to discovery of a discrepancy between the stage blocks that were established for the unit and the actual numbers and stages of trees in the unit.

B. Record Types

The following types of records are acceptable, if the records indicate the location, the commodity, number of trees, and planting dates (and other information required to stage the trees, e.g., year of buckhorning, topping, rehabilitating, resetting) and insured crop type as designated on the SP:

- (1) Planting records (grove management records); and
- (2) AIP recorded evidence, which includes pre-acceptance inspection reports, acreage reports, and any other documentation of tree ages that was used to establish insurance coverage for the trees or the crops produced by the trees.

C. Florida/Texas Tree Grove Pre-Acceptance Worksheet and Grove Identification Map

Insureds should be encouraged to obtain and use acceptable records to prepare a Florida/Texas Tree Grove Pre-Acceptance Worksheet and Grove Identification Map. (See Exhibits 3 and 4.)

D. Tree Numbers and Stage Determinations

- (1) A visual inspection is required to establish the unit value for claim settlement and will be completed by a loss adjustment contractor or company employee, who has been trained in loss adjustment procedures to determine the actual (existing) tree numbers and stages.
 - (a) If an inspection reveals no discrepancy between the reported and actual numbers and stages of trees, the loss adjuster (or trained company employee) should sign and date the Pre-Acceptance Worksheet that was submitted by the insured to verify that the information was found to be accurate.
 - (b) If an inspection reveals a discrepancy between the reported and actual numbers and stages of trees, the loss adjuster can:

11 Acceptable Records (Continued)

- i. Request to examine the records used by the insured to complete the Pre-Acceptance Worksheet and Grove Identification Map;
 - ii. Establish the numbers of trees in each stage-block using the setting distances shown in Exhibit 3; or
 - iii. Conduct a tree count.
- (2) AIPs may use a Pre-Acceptance Worksheet and the instructions provided in Exhibit 1 to establish the stage-blocks of trees in each unit at the time of loss, if the information provided by the policyholder was not accurate. Both the insured and the AIP representative should sign and date the revised Pre-Acceptance Worksheet.

12 Unit Division

A. Basic Unit

A basic unit as defined in the BP will be divided into additional basic units by type. Provisions in section 34 of the BP that allow for enterprise and whole farm units, and the provisions that allow for optional units by irrigated and non-irrigated practices are not applicable.

B. Optional Units

Instead of establishing optional units by section, section equivalents, or FSA FN as specified in section 34 of the BP, units may be established if each optional unit is located on non-contiguous land.

13 Service Forms

The following forms are required for the Texas Citrus Tree Program:

- A. Application**
- B. Policy Change**
- C. Florida/Texas Tree Grove Producer Pre-Acceptance Worksheet**
- D. Grove Identification Map**
- E. Acreage Report**

PART 3 ENDORSEMENTS AND OPTIONS

14 Endorsements and Options

The Texas Citrus Tree Program has an endorsement and options that add supplemental coverage, exclude coverage, or otherwise modify the coverage.

A. Occurrence Loss Option

An insured with a Texas Citrus Tree Policy in effect may elect to obtain additional coverage on the insured trees through the use of this option (where premium rates for the option are provided on the actuarial documents). The option applies to all insurable trees of the insured crop type in the county and may be elected on a crop type basis. The option is continuous and must be elected by the sales closing date for the crop year. The option may be cancelled in accordance with the cancellation provisions of the policy.

- (1) The insured may elect the OLO if he/she has not elected coverage under the CAT Endorsement or CEO.
- (2) An indemnity will be due under the OLO only if the amount of insured damage within all SDT identified as a result of the most recent cause of loss is at least five percent (5%) of the unit value (unless otherwise specified in the SP).
- (3) The amount of the indemnity will be determined by:
 - (a) Multiplying the total number of trees in each stage-block (in all SDTs identified as a result of the most recent cause of loss) times the applicable tree reference price and applicable percent damage for each stage and type, and then totaling these values to determine the damage value;
 - (b) Multiplying the damage value by the coverage level selected by the insured to determine the amount of insured damage;
 - (c) Multiplying the amount of insured damage by the URF; and
 - (d) Multiplying the amount of insured damage times the share.
- (4) The total amount of indemnities payable on a unit during the crop year is limited to the lesser of the amount of protection for that unit or the unit value times the insured's share.

B. Comprehensive Tree Value Endorsement

The CTVE provides supplemental coverage for Texas citrus trees in addition to the coverage provided by the CP.

- (1) The insured may elect the CTVE on a crop type basis if he/she has not elected coverage under the CAT Endorsement. The endorsement is continuous and must be elected by the SCD for the crop year. The endorsement may be cancelled in

14 Endorsements and Options (Continued)

accordance with the cancellation provisions of the policy.

- (2) The CTVE Amount of Protection (unit) will be determined by multiplying the number of insurable trees of each type reported by the insured in each stage-block times the applicable maximum CV reference price, by stage and type, adding these values, and then multiplying by the coverage level.
- (3) The CTVE Unit Value will be determined by multiplying the number of insurable trees of each type in each stage-block in the unit, as determined by the AIP, on the day before the loss (but not reduced for any insured damage that occurred during the crop year) by the applicable maximum CV reference price for the stage and type, adding these values, and then multiplying by the coverage level.
- (4) The reference price offered under this endorsement is in addition to the tree reference price offered under the CP.
- (5) Only those trees in stage-blocks designated as stage II or stage III and considered fully damaged or destroyed are eligible for an indemnity under this endorsement.
- (6) Only the citrus tree types listed in the CTVE are insurable under the endorsement.
- (7) If the insured elects both the OLO and the CTVE, the OLO will apply to the CTVE.
- (8) The coverage level elected by the insured for the Texas Citrus Tree Policy will apply to the endorsement.

C. Coverage Enhancement Option

The CEO provides additional protection above the insured's elected coverage level and may be elected on a crop (type) basis. The minimum CEO coverage level starts at 5 percent above the underlying policy coverage level up to a maximum level specified in the Rates report contained in the AD (currently, 85 percent). The premium for the additional coverage is based on the premium rate for the underlying coverage level.

- (1) The option is available only for Texas Citrus Trees and is not available in conjunction with CAT or the OLO.
- (2) **Deadlines**
 - (a) **Application.** For a new insured, the option must be elected on or before the SCD. This option is continuous once elected, unless canceled.
 - (b) **Cancellation.** The option may be canceled for any succeeding crop year by giving written notice on or before the CD provided by the CP.
 - (c) **Transfer.** If the policy is transferred to a different AIP, a new option must be signed by insured and submitted to the AIP on or before the applicable SCD.

14 Endorsements and Options (Continued)

(3) Coverage.

When the CEO option is elected, the underlying policy's coverage level for any unit on which an indemnity is paid may be increased retroactively and an additional indemnity paid. The amount of the additional indemnity and related terms and conditions are described as:

- (a) The option applies to all acreage of the insured crop for the policy;
- (b) The total indemnity for each unit cannot exceed the combined underlying policy and optional dollar amounts of insurance (underlying policy coverage plus this option).
- (c) The premium will be determined by multiplying the total dollar amount of insurance provided under the underlying policy and option portions of this endorsement by the premium rate applicable to the policy's underlying coverage level.

D. High Risk Land Exclusion Option

This option is available for Texas citrus trees on any land identified in the actuarial documents as high risk and allows the insured to exclude land identified as high risk in accordance with section 3(b)2 of the BP.

Acronyms

The following table contains RMA-approved acronyms used in this handbook.

Approved Acronyms	Term
AD	Actuarial Documents
AIP	Approved Insurance Provider
ARD	Acreage Reporting Date
BP	Common Crop Insurance Policy Basic Provisions
CAT	Catastrophic Risk Protection Endorsement
CD	Cancellation Date
CEO	Coverage Enhancement Option
CIH	FCIC-18018 Crop Insurance Handbook
CP	Crop Provisions
CTVE	Comprehensive Tree Value Endorsement
CV	Comprehensive Value
DSSH	FCIC-24040 Document and Supplemental Standards Handbook
FCIC	USDA Federal Crop Insurance Corporation
FN	Farm Number
FSA	Farm Service Agency
LASH	Loss Adjustment Standards Handbook
OLO	Occurrence Loss Option
RMA	USDA Risk Management Agency
SCD	Sales Closing Date
SP	Special Provisions of Insurance
STD	Stand of Damaged Trees
UG	Underwriting Guide
URF	Underreport Factor

Definitions

Amount of insured damage – The dollar amount determined by multiplying the damage value by the coverage level.

Amount of protection (unit) – The dollar amount for the unit calculated by multiplying the number of insurable trees reported by the insured in each stage-block times the applicable tree reference price for the stage and type, totaling these values, and then multiplying this result times the coverage level selected by the insured.

Block – A stand of trees of the type on acreage sharing a common boundary with no discernible change in the planting pattern.

CTV amount of insured damage – The dollar amount determined by multiplying the CTV damage value by the coverage level.

CTV amount of protection – The dollar amount (by unit) calculated by multiplying the number of insurable trees reported by you in each stage II- and stage III-block times the applicable maximum CTV reference price for the stage, adding these values, and then multiplying the result by the coverage level selected by you.

CTV damage value – The dollar amount determined by multiplying the actual number of destroyed trees and the actual number of fully damaged trees in each stage II- and stage III-block in all the stands of damaged trees (SDT) identified as a result of the most recent cause of loss times the applicable CTV reference price, and then adding these values. The applicable CTV reference price will be the maximum CTV reference price for trees destroyed and the minimum CTV reference price for trees fully (100-percent) damaged.

CTV underreport factor (unit) – A factor determined by us and used to adjust your CTV indemnity in Section 10(b)(2) when you have underreported the number of insurable trees. The factor is the result of dividing the CTV amount of protection by the CTV unit value, rounded to three decimal places, not to exceed 1.000.

CTV unit value – The amount determined by multiplying the number of actual insurable trees in each stage II- and stage III-block in the unit, as determined by us, on the day before the loss (but not reduced for any insured damage that occurred during the crop year) times the maximum CTV reference price for the stage, adding these values, and then multiplying the result by the coverage level selected by you.

Citrus trees – Citrus trees including Rio Red, Star Ruby, Ruby Red, and all other grapefruit; early, mid-season, and late oranges; tangerines; and any other tree types specified on the Special Provisions.

Crop year – The period beginning December 1 and extending through November 30 of the following year, and is designated by the calendar year in which the period ends.

Definitions (Continued)

Damage value – The dollar amount determined by multiplying the actual number of insurable trees in each stage-block damaged by the most recent cause of loss times the applicable tree reference price for the stage and type, multiplying this result for each stage-block times the percent of damage applicable to each stage-block, and totaling these values.

Maximum CTV reference price – The price per tree, by type and stage, listed on the Addendum to the Special Provisions for comprehensive tree value (CTV) that is used in calculating the CTV unit value, the CTV amount of protection, and the portion of the CTV damage value for destroyed trees for the CTV Endorsement.

Minimum CTV reference price – The price per tree, by type and stage, listed on the Addendum to the Special Provisions for comprehensive tree value (CTV) that is used in calculating the CTV unit value, the CTV amount of protection, and the portion of the CTV damage value for fully damaged trees for the CTV Endorsement.

Practice – A practice identified in the Special Provisions.

Reset – Restoring a toppled tree to approximately the same position the tree occupied before it was toppled, and carrying out the cultural practices necessary to restore the tree.

Share – In addition to the definition in section 1 of the Basic Provisions, an insured tenant or operator must have a lease with the owner of the citrus grove that requires him or her to maintain the citrus grove using accepted grove management practices. The lease agreement must clearly state the tenant is entitled to his or her insured share of any indemnities under the Texas Citrus Tree Crop Provisions. A copy of the lease must be on file with the insuring company at the time insurance attaches. However, only for the purpose of determining the amount of indemnity, the insured's share will not exceed the insured's share at the time of loss.

Stage – A tree-classification system used by us. At the time insurance attaches, the stage of each insurable tree in the unit is:

- (a) Stage I, if the tree is set out less than three crop years, or buckhorned or topworked less than two crop years, or was rehabilitated (excluding buckhorning) or reset after having been toppled less than one crop year prior to the beginning of the current crop year.
- (b) Stage II, if the tree is set out three or more crop years, or buckhorned or topworked two crop years or more, or was rehabilitated (excluding buckhorning) or reset after having been toppled less than two crop years prior to the beginning of the current crop year, but do not yet qualify as stage III.
- (c) Stage III, if the tree is able to produce a yield typical of a healthy tree of the current tree age and has reached the:
 - (1) Seventh crop year after set out.
 - (2) Fifth crop year after buckhorning or topworking.
 - (3) Third crop year after being rehabilitated (excluding buckhorning) or reset.

Stage-block – A block in which at least 75% of the trees are the same stage, at the time insurance attaches.

Definitions (Continued)

Stand of damaged trees – The area or areas within a unit where damage due to the same insurable cause of loss occurs, as established by the insurance provider for the crop year, and used to determine the damage value for the unit. If distinct areas of damaged trees within the unit cannot be established, the stand of damaged trees will be the entire unit.

Tree reference price – The price per tree, by stage and type, listed on the Addendum to the Special Provisions that is used in calculating the unit value, the amount of protection, and the damage value.

Type – Any category of citrus trees identified as a type in the Special Provisions.

Underreport factor (unit) – A factor determined by the insurance provider and used to adjust the insured's indemnity in Section 13(a) when the insured has underreported the number of insurable trees. The factor is the result of dividing the amount of protection by the unit value, rounded to three decimal places not to exceed 1.000.

Unit value – Unless otherwise specified on the Special Provisions, the amount determined by multiplying the actual number of insurable trees in each stage-block in the unit, as determined by the insurance provider, on the day before the loss (but not reduced for any insured damage that occurred during the crop year) times the applicable tree reference price for the stage and type listed in the Special Provisions, totaling these values, and then multiplying this result times the coverage level selected by the insured.

Florida/Texas Tree Grove Producer Pre-Acceptance Worksheet

Instructions for Completion

Items to be completed by the approved insurance provider are denoted [AIP].

NAME OF APPLICANT/INSURED: Enter the name of the applicant or insured as it appears on the application for insurance.

CROP YEAR: Enter the crop year for which the worksheet is being completed.

COUNTY: Enter the name of the county in which the trees are located.

AGENT [AIP]: Enter the name, address, and phone number of the agent who services or will service this contract, as applicable.

CONTRACT NUMBER [AIP]: Enter the contract number from the most recent Policy Confirmation. In the case of a new applicant, enter only the 2-digit state and 3-digit county code, e.g., XX-XXX.

ADDRESS OF APPLICANT/INSURED: Enter the mailing address of the applicant or insured as it appears on the application for insurance.

PHONE NUMBER OF APPLICANT/INSURED: Enter the area code and telephone number at which the applicant or insured can be reached during normal business hours.

INDIVIDUAL GROVE DATA:

Item #:

- (1) **Unit Number** [AIP]: Each insured crop type will begin unit numbering with 00010000BU or 00010001OU. Basic and optional units are allowed as defined in the Crop Provisions.
- (2) **Block Number**: By line, enter the block number as identified on the grove identification map. Separate block numbers are required for each insured crop type specified in the Special Provisions to obtain coverage provided by the CTV Endorsement:

A block is a stand of trees of the same type on acreage sharing a common boundary with no discernible change in planting pattern (a homogenous planting pattern) and may or may not consist of different tree stages (age classes.) If there is a change in planting pattern that distinguishes areas of different tree ages within the stand (grove), you can report the areas as separate blocks.
- (3) **Section**: Enter the legal description (section number or other applicable legal description in place of section, township, and range) for the grove location. Complete a separate worksheet for each section. Note all section numbers in the "Remarks" section. In the absence of sections, townships, and ranges, use the applicable legal description for the area to complete items (3) through (5). Enter the Farm/Tract/Field Number if available.
- (4) **Township (Twp.)**: Enter the legal description (township number) for the grove location.
- (5) **Range**: Enter the legal description (range number) for the grove location.
- (6) **Crop and Type**: Enter the applicable commodity name (such as oranges); also enter the insured crop type (such as early and mid-season oranges, late oranges, etc.) as specified in the Special Provisions.

Florida/Texas Tree Grove Producer Pre-Acceptance Worksheet (Continued)

- (7) Acres in Block: Enter the acres occupied by the block, rounded to the nearest tenth.
- (8) Tree Spacing: Enter the average tree spacing, in whole feet, for the block. If there is a wide variation in spacing, enter "varying."
- (9) Tree Count: Enter the total number of trees in the block. Enter an estimate (identify as "Est") if accurate determination is impractical.
- (10) Tree Stage: The stages (I, II, and III) are shown on separate lines of the worksheet.
- (11) Month & Year Set: Enter the month and year of set out for the trees in each of the three stages shown on separate lines. If the trees of a stage were set out in different years, enter the date when most of the trees were set out.
- (12) Tree Age: Enter the tree age in years (that corresponds to the date in (item 11) for the trees in each of the three stages shown on separate lines.
- (13) Number of Trees: Enter the number of trees in each stage on separate lines.
- (14) Percent of Trees: For each line, enter the result of dividing the number of trees (item 13) by the tree count for the block (item 9), and multiplying by 100. Round the result to whole numbers; for example, report 65.48% as 65% and 65.84% as 66%.
- (15) Stage-Block Number: Determine if the block should be reported as one or more stage blocks. If one of the percentages reported in item 14 is at least 75%, report the block as one stage-block. If none of the percentages reported in item 14 is at least 75%, report the block as two or three stage-blocks. Denote the stage-block on each line for which there are entries in item 14, by the block number and the tree stage. For example, if the block is No. 1 and 80% of the trees in the block are stage III, record the stage-block number as 1-III on each line for which there are entries in item 14; if the block is No. 2 and 50% of the trees in the block are stage III and 50% are stage I, record the stage-block numbers as 2-III and 2-I, respectively.

REMARKS:

Enter notes pertinent to the grove certification, such as the source of information used to complete the worksheet, method of determining tree numbers, and description of the grove.

Once the initial certification (worksheet and grove identification map) has been provided, insureds who continue insurance coverage in subsequent crop years will be allowed to self-certify in the remarks section of the original pre-acceptance worksheet that no change has occurred. The insured will write "No change for XXXX Crop Year," initial and date.

If any changes have occurred since the original certification that would alter the stage-block designations or the numbers of trees in each stage-block, an amended or revised worksheet and grove identification map should be completed for any blocks of trees affected by the change. The nature and date of the revisions or amendments should be noted in the remarks section.

SIGNATURE OF APPLICANT/INSURED: Sign and date the worksheet.

Enter the page number of this form in the first blank and the total number of pages of this form for this contract in the second blank. For example: PAGE 2 OF 3 PAGES.

SIGNATURE OF INSURANCE PROVIDER REPRESENTATIVE: Sign and date the worksheet after conducting an inspection to verify the information provided on the worksheet.

Florida/Texas Tree Grove Producer Pre-Acceptance Worksheet (Continued)

FLORIDA/TEXAS TREE GROVE PRODUCER PRE-ACCEPTANCE WORKSHEET														
FOR ILLUSTRATION ONLY														
NAME OF INSURED/APPLICANT Joe Farmer					CROP YEAR YYYY		COUNTY Hidalgo			AGENT Frank Agent			CONTRACT NUMBER 48-215	
ADDRESS OF INSURED/APPLICANT 1234 North Tenth Street McAllen, Texas 78503					PHONE NUMBER OF INSURED/APPLICANT 956-994-0189				5678 Palm Drive Mission, Texas 78572 956-584-2245					
INDIVIDUAL GROVE DATA:														
UNIT NO. (1)	BLOCK NO. (2)	SECTION (3)	TWP (4)	RANGE (5)	CROP & TYPE (6)	ACRES IN BLOCK (7)	TREE SPACING (8)	TREE COUNT (9)	TREE STAGE (10)	MONTH & YEAR SET (11)	TREE AGE (12)	NUMBER OF TREES (13)	PERCENT OF TREES (14)	STAGE-BLOCK NUMBER (15)
0001 0000BU	1	E6	26N	98W	Orange Trees, Early Oranges	4.5	19x23	450	I					
									II	Oct. 2008	5	50	11%	1-III
									III	Oct. 2004	9	400	89%	1-III
0001 0000BU	2	E6	26N	98W	Orange Trees, Early Oranges	0.5	15x29	50	I	Dec. 2010	3	50	100%	2-II
									II					
									III					
									I					
									II					
									III					
									I					
									II					
									III					

Grove Identification Map & Instructions for Completion

Item:

- (1) Enter the name of the insured or applicant.
- (2) Enter the county where insurance attaches.
- (3) Enter the policy number.
- (4) Enter the crop and type, if applicable.
- (5) Enter the unit number.
- (6) Enter the section, township, and range (or applicable legal description in place of section, township, and range) in which the insured crop type is located.
- (7) Maps: Identify the acreage to be mapped using a unit designation.
 - (a) Identify highways and other significant landmarks that can be used to help identify groves' locations.
 - (b) Outline citrus grove locations. Draw groves in actual shapes and as close to scale as possible. Indicate the stages of planted trees, if identifiable. Indicate any acreage that has been excluded from coverage by labeling as "excluded."
 - (c) Outline land ownership boundaries in red for each section involved. Indicate land ownership across section lines with tie bars.

Grove Identification Map & Instructions for Completion (Continued)

GROVE IDENTIFICATION MAP – Continuation Sheet (for illustration only)

Section: _____

Section: _____

Section: _____

Section: _____

Section: _____

Section: _____

Setting Distances and Approximate Number of Trees Per Acre

		ROW SPACING (feet)																
		14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
TREE SPACING (feet)	8	389	363	340	320	303	287	275	259	248	237	227	218	209	202	194	188	182
	9	346	323	303	285	269	255	242	230	220	210	202	194	186	179	173	167	161
	10	311	290	272	256	242	229	218	207	198	189	182	174	168	161	156	150	145
	11	283	264	248	233	220	208	198	189	180	172	165	158	152	147	141	137	132
	12	259	242	227	214	202	191	182	173	165	158	151	145	140	134	130	125	121
	13	239	223	209	197	186	176	168	160	152	146	140	134	129	124	120	116	112
	14	222	207	194	183	173	164	156	148	141	135	130	124	120	115	111	107	104
	15	207	194	182	171	161	153	145	138	132	126	121	116	112	108	104	100	97
	16	194	182	170	160	151	142	135	128	122	116	113	109	105	101	97	94	91
	17	183	171	160	151	142	134	127	121	115	110	107	102	99	95	92	88	85
	18	173	161	151	142	135	127	121	115	109	104	101	97	93	90	86	83	81
	19	164	153	143	135	127	121	115	109	104	100	96	92	88	85	82	79	76
	20	156	145	136	128	121	115	109	104	99	95	91	87	84	81	78	75	73
21	148	138	130	122	115	109	104	99	94	90	86	83	80	77	74	72	69	
22	141	132	124	116	111	104	99	94	90	86	83	79	76	73	71	68	66	

The above figures are for square and hedgerow plantings. Use the formula below for tree and/or row spacings not shown in the chart: Multiply the distance between tree rows by the spacing between trees within the row and divide into 43,560. Refer to the LAM for additional information on how to calculate the number of trees per acre.

Formula: 43,560 sq. ft. per acre ÷ tree spacing (L x W) = Number of trees per acre

Example: Tree row spacing 16.0 feet and tree spacing within rows 12.5 feet.

$$\frac{43,560 \text{ sq. ft.}}{16.0 \text{ ft.} \times 12.5 \text{ ft.}} = \frac{43,560 \text{ sq. ft.}}{200 \text{ sq. ft.}} = 217.8 = 218 \text{ trees per acre.}$$