FLORIDA
AVOCADO
PILOT
LOSS
ADJUSTMENT
STANDARDS
HANDBOOK
2009 and Succeeding Crop Years
THIS HANDBOOK CONTAINS THE OFFICIAL FCIC-ISSUED LOSS ADJUSTMENT STANDARDS FOR THIS CROP FOR THE 2009 AND SUCCEEDING CROP YEARS. ALL REINSURED COMPANIES WILL UTILIZE THESE STANDARDS FOR BOTH LOSS ADJUSTMENT AND LOSS TRAINING.

SUMMARY OF CHANGES/CONTROL CHART

The following list contains significant changes to this handbook, as determined by us. It may not represent all changes made. All changes made to this handbook are applicable regardless of whether or not listed.

Major Changes: See changes or additions in text which have been highlighted. Three stars (*** ) identify where information has been removed.

Changes for Crop Year 2009 (FCIC-25650) issued AUGUST 2008:

1. Page 1, subsection 2 B (3): Added abbreviations for CAT and CIH.

2. Page 3, subsection 3 D: Added instructions to refer to the Special Provisions for instructions on reducing the insurance guarantee in accordance with the crop provisions.

3. Page 7, subsection 5 C (7): Clarified instructions pertaining to production ‘per acre.’


5. Page 29, subsection 9, Table A: Revised instructions for clarification.
## Control Chart For: Florida Avocado Pilot Loss Adjustment Standards Handbook

<table>
<thead>
<tr>
<th>Action</th>
<th>SC Page(s)</th>
<th>TC Page(s)</th>
<th>Text Page(s)</th>
<th>Reference Material</th>
<th>Date</th>
<th>Directive Number</th>
</tr>
</thead>
</table>
| **Remove** | 1-2 | | 1-4  
7-8  
11-12 | 29-30 | 08-2007 | FCIC-25650 |
| **Insert** | 1-2 | | 1-4  
7-8  
11-12 | 29-30 | 08-2008 | FCIC-25650-1 |
| **Current Index** | 1-2 | | 1-4  
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13-28 | 29-30 | 08-2008 | FCIC-25650-1 |
| | | | | | 08-2007 | FCIC-25650 |
| | | | | | 08-2008 | FCIC-25650-1 |
| | | | | | 08-2007 | FCIC-25650 |
| | | | | | 08-2008 | FCIC-25650-1 |
| | | | | | 08-2007 | FCIC-25650 |
| | | | | | 08-2008 | FCIC-25650-1 |
| | | | | | 08-2007 | FCIC-25650 |
| | | | | | 08-2008 | FCIC-25650-1 |
1. INTRODUCTION

THIS HANDBOOK MUST BE USED IN CONJUNCTION WITH THE LOSS ADJUSTMENT MANUAL (LAM) STANDARDS HANDBOOK, FCIC-25010.

The FCIC-issued loss adjustment standards for this crop are the official standard requirements for adjusting Multiple Peril Crop Insurance (MPCI) losses in a uniform and timely manner. The FCIC-issued standards for this crop and crop year are in effect as of the signature date for this crop handbook at www.rma.usda.gov/handbooks/25000/index.html. All approved insurance providers (AIP) will utilize these standards for both loss adjustment and loss training for the applicable crop year. These standards, which include crop appraisal methods, claims completion instructions, and form standards, supplement the general (not crop-specific) loss adjustment standards identified in the LAM.

2. SPECIAL INSTRUCTIONS

This handbook remains in effect until superseded by reissuance of either the entire handbook or selected portions (through slipsheets or bulletins). If slipsheets have been issued for a handbook, the original handbook as amended by slipsheet pages shall constitute the handbook. A bulletin can supersede either the original handbook or subsequent slipsheets.

A. DISTRIBUTION

The following is the minimum distribution of forms completed by the adjuster and signed by the insured (or the insured’s authorized representative) for the loss adjustment inspection:

(1) One legible copy to the insured.

(2) The original and all remaining copies as instructed by the AIP.

It is the AIP’s responsibility to maintain original insurance documents relative to policyholder servicing as designated in their approved plan of operations.

B. TERMS, ABBREVIATIONS, AND DEFINITIONS

(1) Terms, abbreviations, and definitions general (not crop specific) to loss adjustment are identified in the LAM.

(2) Terms, abbreviations, and definitions specific to Florida avocado loss adjustment and this handbook, which are not defined in this section, are defined as they appear in the text.

(3) Abbreviations:

CAT Catastrophic Risk Protection

CIH Crop Insurance Handbook
DSSH Document and Supplemental Standards Handbook, FCIC-24040

RPAM Random Path Appraisal Method

(4) Definitions:

**Bushel**
A unit of measure equal to 55 pounds of avocados.

**Buckhorning**
Cutting any scaffold limb to a length that is not greater than one-fourth (1/4) the height of the tree before such cutting.

**Direct Marketing**
Sale of the insured crop directly to consumers without the intervention of an intermediary such as a wholesaler, retailer, packer, processor, shipper, or buyer. Examples of direct marketing include selling through an on-farm or roadside stand, farmer’s market, and permitting the general public to enter the fields for the purpose of picking all or a portion of the crop.

**First Handler**
A person or entity who takes possession of, or purchases, the insured crop for the purpose of acting as an intermediary in the marketing/sales process. (This is referenced in the General Information Section of Section II of the Production Worksheet)

**Harvest**
Picking of the avocados from the trees or ground by hand or machine.

**Set Out**
Transplanting a tree into the grove.

3. **INSURANCE CONTRACT INFORMATION**

The AIP is to determine that the insured has complied with all policy provisions of the insurance contract. Crop provisions which are to be considered in this determination include (but are not limited to):

**A. INSURABILITY**

The following may not be a complete list of insurability requirements. Refer to the Basic Provisions, Florida Avocado Pilot Crop Provisions, and Special Provisions for a complete list.

(1) The crop insured will be all the commercially grown avocado types in the county for which a guarantee and premium rate is provided by the actuarial documents, in which the insured has a share, and that is grown:

(a) For harvest as avocados;

(b) On trees that, if inspected, are considered acceptable to the AIP; and

(c) On trees that have reached at least the fifth growing season after setout unless the AIP agrees in writing to insure avocados on acreage that has not reached this age and if the acreage has produced at least 50 bushels of avocados per acre in a previous year.
(2) Insurance coverage is provided against damage or loss from insects and disease but not damage due to insufficient or improper application of pest and/or disease control measures.

(3) Insurance coverage is not provided for damage or loss of production due to:

(a) Theft; or

(b) Inability to market the avocados for any reason other than actual physical damage from an insurable cause of loss specified in the crop provisions. For example, the AIP will not pay the insured an indemnity if the insured is unable to market avocados due to quarantine, boycott, or refusal of any person to accept production.

(4) Refer to the Special Provisions for insurability provisions when a certain percentage of trees has been removed or stumped.

(5) Refer to the Special Provisions for a list of insurable early and late avocado varieties.

B. PROVISIONS AND PROCEDURES NOT APPLICABLE TO CAT COVERAGE

Refer to the CIH and LAM for provisions and procedures not applicable to CAT.

C. UNIT DIVISION

Refer to the insurance contract for unit provisions. Unless limited by the crop or Special Provisions, a basic unit, as defined in the Basic Provisions, may be divided into optional units if, for each optional unit, all the conditions stated in the applicable provisions are met.

D. INSURANCE GUARANTEES

The AIP will reduce the yield used to establish the insured’s production guarantee as necessary, based on the effect of interplanting a perennial crop; removal of trees; buckhorning; damage; or a change in practices, on the yield potential of the insured crop. If the insured fails to notify the AIP of any circumstances as set out in 3 (c) of the crop provisions, the AIP will reduce the insured’s production guarantee as necessary, at any time the AIP becomes aware of the circumstance. Refer to the Special Provisions for instructions on reducing the insurance guarantee when the aforementioned circumstances occur.

4. FLORIDA AVOCADO PILOT APPRAISALS

A. GENERAL INFORMATION

(1) Potential production for all types of inspections will be appraised in accordance with procedures in this handbook and in the LAM.

(2) Specifically for Florida avocados, circumstances that require an appraisal include (but are not limited to):
(a) If verifiable production records may not be available later (trees pushed, etc.); or

(b) If any production will be sold by direct marketing.

(3) Make separate appraisals for each Florida avocado type grown in the grove, as applicable.

(4) **Applicability** - Within the policy provisions is a requirement that insureds file a “notice of damage or loss” unless the insurance period has ended prior to each of the following events:

(a) At least 15 days before any production from any unit will be direct marketed to consumers.

In the event of failure to give timely notice that the production will be sold by direct marketing, apply an appraised amount of production to count of not less than the production guarantee per acre, if such failure results in the inability of the AIP to make an accurate appraisal.

(b) If the insured intends to claim an indemnity on any unit, the insured must notify the AIP 15 days prior to the beginning of harvest or immediately if damage is discovered during harvest so that the AIP may inspect the damaged production.

(5) If the insured fails to meet the requirements listed in 4 (a) and (b) above, and such failure results in the AIP’s inability to inspect the damaged production, all such production may be considered undamaged and included as production to count.

(6) **Appraisal Dates:**

(a) AIP representatives will set appraisal dates.

(b) Whenever possible, appraise Florida avocados when they have reached harvestable maturity after the drop period and before the fruit is removed from the trees.

For the purpose of this handbook, the drop period, commonly referred to as “June drop,” is a natural self-thinning phenomenon where an avocado tree reduces a heavy fruit load by dropping small unripened fruit. This second fruit drop usually occurs in June and is distinguished from the first drop of fruit occurring shortly after bloom and is usually caused by lack of or incomplete pollination, pests, or temperatures.

**B. SELECTING REPRESENTATIVE SAMPLES FOR APPRAISALS**

(1) Make a general examination of all acreage in the unit. Determine the minimum number and general location of trees to be used in the representative sample, based on:

(a) Total acreage and number of trees;

(b) Extent of variation in the amount of production or damage within the acreage and location of the fruit on the tree;
C. UNHARVESTED APPRAISALS

Fruit Count Appraisals

(1) Select representative sample trees for fruit counts, appraising each avocado type as a separate sample.

(2) Count as production all avocados for each sample tree, including those lost through uninsured causes, on and under the tree.

(3) Harvest one representative sample of 25 avocados from the applicable sample trees (lumped together) and weigh, in pounds to tenths.

(4) Divide the harvested weight determined in (3) by 25, recording the result in pounds, to hundredths, to determine the average weight per fruit.

(5) Multiply the fruit count determined in (2), by the average avocado weight (determined in (4)) to determine the potential production, in pounds to tenths, for each sample tree.

(6) Enter the average pounds of avocados per sample tree on the appraisal worksheet.

(7) Convert fruit counts from sample trees to bushels of appraised production. (Multiply the determined pounds of fruit per sample tree times the number of trees per acre, dividing this result by 55 pounds per bushel to determine the total appraised production per acre for the grove or sub-grove.)

6. APPRAISAL DEVIATIONS AND MODIFICATIONS

A. DEVIATIONS

Deviations in appraisal methods require FCIC written authorization (as described in the LAM) prior to implementation.

B. MODIFICATIONS

There are no pre-established modifications contained in this handbook. Refer to the LAM for additional information.

7. APPRAISAL WORKSHEET ENTRIES AND COMPLETION PROCEDURES

A. APPRAISAL WORKSHEET FORM STANDARDS

(1) The entry items in subsection 7 C are the minimum requirements for the Florida Avocado Appraisal Worksheet for all harvested and unharvested appraisals. All of these entry items are “Substantive” (i.e., they are required.)
(2) Appraisal Worksheet Completion Instructions. The completion instructions for the required entry items on the Appraisal Worksheet in the following subsections are “Substantive” (i.e., they are required.)

(3) The Privacy Act and Nondiscrimination statements are required statements that must be printed on the form or provided to the insured as a separate document. These statements are not shown on the example form in this exhibit. The current Privacy Act and Nondiscrimination Statements can be found in the DSSH.

(4) Refer to the DSSH for other crop insurance form requirements (e.g., font point size, etc.)

B. GENERAL INFORMATION FOR WORKSHEET ENTRIES AND COMPLETION PROCEDURES

(1) Include the AIP’s name in the appraisal worksheet title if not preprinted on the AIP’s worksheet, when a worksheet entry is not provided.

(2) Include the claim number on the appraisal worksheet (when required by the AIP), when a worksheet entry is not provided.

(3) Separate appraisal worksheets are required for each unit and type inspected. Refer to subsection 4 B for sampling instructions.

(4) For every inspection, complete items 1 through 9 and items 36 through 39.

Standard appraisal worksheet items are numbered consecutively in subsection 7 C. An example appraisal worksheet is also provided to illustrate how to complete all entries, except the last three items on the appraisal worksheet.

C. WORKSHEET ENTRIES AND COMPLETION PROCEDURES

Verify or make the following entries:

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Information Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company Name:</td>
<td>Name of the AIP if not preprinted on the worksheet (Company Name).</td>
</tr>
<tr>
<td>1. Insured’s Name:</td>
<td>Name of the insured that identifies EXACTLY the person (legal entity) to whom the policy is issued.</td>
</tr>
<tr>
<td>2. Policy Number:</td>
<td>Insured’s assigned policy number.</td>
</tr>
<tr>
<td>3. Claim Number:</td>
<td>Claim number as assigned by the AIP.</td>
</tr>
<tr>
<td>4. Unit Number:</td>
<td>Five-digit unit number from the Summary of Coverage after it is verified to be correct (e.g., 00100).</td>
</tr>
</tbody>
</table>
36. **Remarks:** Enter any additional information pertinent to the unit appraisal (e.g., tree spacing, etc.).

37. **Adjuster’s Signature, Code Number, and Date:** Signature of the adjuster, adjuster’s code number, and the date signed after the insured (or insured’s authorized representative) has signed. If the appraisal is performed prior to the signature date, document the date of appraisal in the Remarks section of the Appraisal Worksheet (if available); otherwise, document the appraisal date in the Narrative of the Production Worksheet.

38. **Insured’s Signature and Date:** Insured’s (or insured’s authorized representative’s) signature and date. BEFORE obtaining the signature, REVIEW ALL ENTRIES on the appraisal worksheet WITH THE INSURED, (or insured’s authorized representative), particularly explaining codes, etc., which may not be readily understood.

39. **Page:** Page numbers - (Example: Page 1 of 1, Page 1 of 2, etc.).
### FLORIDA AVOCADO APPRAISAL

**WORKSHEET**

(For Illustration Purposes Only)

<table>
<thead>
<tr>
<th>1. INSURED'S NAME</th>
<th>I.M. Insured</th>
<th>2. POLICY NO.</th>
<th>XXXXXXX</th>
<th>3. CLAIM NO.</th>
<th>XXXXXXX</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A - HARVESTED SAMPLE METHOD</strong></td>
<td></td>
<td></td>
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<tr>
<td>D-4</td>
<td>Early</td>
<td>2.5</td>
<td></td>
<td>35.3</td>
<td>37.2</td>
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| **B - FRUIT COUNT APPRAISAL** | | | | | |
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36 Remarks

Tree spacing in grove is 15’ x 28’

This form example does not illustrate all required entry items (e.g., signatures, etc.)
TABLE A - MINIMUM REPRESENTATIVE SAMPLE REQUIREMENTS

<table>
<thead>
<tr>
<th>Number of <strong>Acres</strong>:</th>
<th>Select:</th>
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<tr>
<td>0.1 – 10.0</td>
<td>The lesser of 5 trees or 1% change of the number of trees in the grove or sub-grove.</td>
</tr>
</tbody>
</table>

One additional tree is required for each additional 10.0 acres (or fraction thereof) in the grove or sub-grove.
### TABLE B – NUMBER OF TREES PER ACRE

<table>
<thead>
<tr>
<th>DISTANCE BETWEEN ROWS (IN FEET)</th>
<th>10</th>
<th>11</th>
<th>12</th>
<th>13</th>
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For spacing not shown on this chart: Multiply the distance between trees (nearest tenth of a foot) times the distance between rows (nearest tenth of a foot) and divide the result into 43,560 (round to the nearest whole number). EXAMPLE: 6.5 ft. times 10.0 ft. equals 65.0 sq. ft.; then 43,560 divided by 65.0 equals 670 trees per acre.