

United States
Department of
Agriculture



Federal Crop
Insurance
Corporation



Product
Administration &
Standards
Division

NURSERY LOSS ADJUSTMENT STANDARDS HANDBOOK

FCIC-25750-1 (7-2010)

2011 and Succeeding Crop Years

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

FEDERAL CROP INSURANCE HANDBOOK		NUMBER: 25750 (4-2010) 25750-1 (7-2010)	
SUBJECT: NURSERY LOSS ADJUSTMENT STANDARDS HANDBOOK 2011 AND SUCCEEDING CROP YEARS	OPI: Product Administration and Standards Division		
	Approved:		Date:
	/S/ Tim B. Witt Assistant Deputy Administrator, Product Management		7/26/2010

THIS HANDBOOK CONTAINS THE OFFICIAL FCIC-ISSUED LOSS ADJUSTMENT STANDARDS FOR THIS CROP FOR THE 2011 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 information that has been removed.

Changes for Crop Year 2011 (FCIC-25340-1) issued **JULY 2010**:

- A. As applicable, revised throughout handbook to clarify that the over-report factor is intended to adjust indemnities ONLY when the basic unit values reported on the PIVR are greater than 10 percent of FMV-A plus the insured value of the plants listed on the verified sales records.
- B. As applicable, revised throughout the handbook that the over-report factor must be greater than 0.000. The over-report factor will not apply when FMV-A plus the insured value of the plants listed on the verified sales records support, within 10 percent, the basic unit value reported on the PIVR, revised PIVR and Peak Inventory Value Report, as applicable.
- C. As applicable, revised throughout the handbook that the unreported plant types SPOI only applies when the basic unit value has been under-reported. For over-report and under-report situations, the unreported plant types will not be insured and no indemnity will be paid on the uninsured plant types.
- D. Page 43, Item (6) – Revised to clarify that separate appraisal worksheets are required for each basic unit inspected, if the Nursery Appraisal Software is not used. If the Nursery Appraisal Software is used, separate appraisal worksheets may not be required for each basic unit inspected since the appraisal worksheet created using the Nursery Appraisal Software lists subtotals by plant type.

NURSERY LOSS ADJUSTMENT STANDARDS HANDBOOK

SUMMARY OF CHANGES/CONTROL CHART

Control Chart For: Nursery Loss Adjustment Standards Handbook						
	SC Page(s)	TC Page(s)	Text Page(s)	Reference Material	Date	Directive Number
Remove	1-2		27-30 43-44 51-54 59-60 63-69	70	4-2010	FCIC-25750
Insert	1-2		27-30 43-44 51-54 59-60 63-69	70	7-2010	FCIC-25750-1
Current Index	1-2	1-2	1-26 27-30 31-42 43-44 45-50 51-54 55-58 59-60 61-62 63-69	70 71	7-2010 4-2010 4-2010 7-2010 4-2010 7-2010 4-2010 7-2010 4-2010 7-2010 4-2010 7-2010 4-2010 7-2010 4-2010	FCIC-25750-1 FCIC-25750 FCIC-25750 FCIC-25750-1 FCIC-25750 FCIC-25750-1 FCIC-25750 FCIC-25750-1 FCIC-25750 FCIC-25750-1 FCIC-25750 FCIC-25750-1 FCIC-25750 FCIC-25750-1 FCIC-25750

- (2) Claims will be submitted as “final claims,” each of which will build upon the information obtained from any previous “final claims” for the basic unit for the crop year.
- (3) Occurrence deductibles, determined by the loss adjuster, are accumulated by each basic unit to satisfy the basic unit CYD, without regard to whether the unit actually qualifies for an indemnity in any loss occurrence. Once the basic unit CYD is satisfied, an occurrence deductible is no longer applicable (unless a revised PIVR or Peak Inventory Endorsement has been accepted to increase unit liability, CYD, and premium and the 30-day waiting period has expired). All data from any previous loss occurrence affecting the plants in the basic unit currently being adjusted must be available for the adjuster to:
 - (a) Assure proper credit of losses counting toward the basic unit CYD; and
 - (b) Avoid exceeding the total amount of insurance for the basic unit and overpayment of an indemnity.

G. ESTABLISHING FIELD MARKET VALUE A (FMV-A)

- (1) Market value establishment of nursery plants differ from other crops because market reports that are available for most other insured crops are not available for nursery. The Nursery Crop Provisions require that the insured submit a PIVR for each insured practice by basic unit, for all growing locations within the county, which includes the plant type, PIVR inventory value, coverage level selected, and the insured’s share. If necessary or required, the AIP shall request and verify documentation to support the inventory values reported on the PIVR and inventory values used to determine FMV-A.
- (2) At the AIP’s option, the insured will be required to provide documentation in support of the PIVR, with a detailed plant inventory listing that includes the name, the number, and the size of each plant and acceptable records of sales and purchases for the three previous crop years in the amount of detail required. For CAT level of coverage only, the insured must report the greatest amount of plant sales in any of the previous 3 years and the actual inventory value on the date insurance attaches, in the PIVR. Failure to provide the requested documentation will result in premium owed but no indemnity paid for any basic units for which such documentation was not provided.
- (3) Providing inadequate documentation (i.e. documentation that does not fully support the amount for which the insured reported) for each basic unit will not result in denial of insurance for the crop year. However, providing inadequate documentation will result in a reduction in the insured’s indemnity for each basic unit where inadequate documentation was provided.
- (4) In order to prevent the insured’s indemnity from being reduced when basic unit values are greater than FMV-A, the following must apply: FMV-A plus the insured value of the plants listed on the verified sales records must support, within 10 percent, the basic unit value reported on the PIVR, revised PIVR and Peak Inventory Value Report, as applicable, minus the total of all previous losses as adjusted by any under-report factor or over-report factor. Otherwise, any indemnity for that basic unit will be reduced by an over-report factor. Only verify and review sales records dated between the signature date of the PIVR and the date FMV-A is determined.

- (5) For standardization purposes, the AMERICAN STANDARD FOR NURSERY STOCK (ANSI Z60.1), published by the American Nursery & Landscape Association (ANLA), will be used as the plant size measurement standard for insurance purposes. When standards issued by a state are in conflict with ANSI Z60.1 standards, the ANSI Z60.1 standards will prevail for insurance purposes.
- (a) FMV-A and FMV-B of plants grown in containers that are oversized relative to the current physical size of the plant will be adjusted (using the EPL/PPS as a basis), for the container size listed in the standard that is appropriate for the actual plant size.
 - (b) Field grown and dug plants will be size-evaluated by plant height, width, and/or caliper size depending on the particular plant genus and species using the procedures specified in ANSI Z60.1. For insurance to remain in effect for dug plants, the root ball must be roughly the dimension or larger than that specified in the standard. The policy states that insurance coverage ceases for bare-root plants when the plants are removed from the field.
 - (c) Copies of the ANSI Z60.1 are available for purchase from ANLA Publications, Washington, D.C., at (202) 789-5980, extension 3019.
- (6) Previous years' nursery wholesale records, pending sales contracts (as supported by previous sales records), and actual nursery wholesale price lists can be used to support nursery operation practices previously and currently carried out, as determined by the AIP.
- (7) FMV-A is established using the following, as applicable:
- (a) The lower of the insured's nursery catalog or price list price or the EPL/PPS price for the size attained (container size for container grown plants or height/width/caliper for field grown plants).
 - (b) The NGPE.
 - (c) The reduced FMV-B plant value from a previous loss occurrence when the plant has not fully recovered.

This requires the AIP (and loss adjuster) to confirm the number of plants in a unit by size, genus/species, and the commensurate before-loss value.

- (8) According to the Special Provisions, the insured must report and insure on the PIVR the value of all insurable plants/plant types in each unit, whether the insured elects basic units by share or by plant type. For over-report and under-report situations, the unreported plant types are not insurable plants and an indemnity will not be paid on those uninsured plant types.

For under-report situations ONLY, determine the proration factor for each reported plant type(s), determine FMV-A for each unreported plant type, and assign the unreported type FMV-A proportionally to the FMV-A for each reported plant type in the same practice. The plants in each unreported plant type are to be listed as undamaged when determining the unreported plant type FMV-A.

EXAMPLE: For calculating the proration factor when the nursery has an unreported plant type. Assume the nursery has 100 percent share, selected basic units by plant type, reported unit 00100, plant type BS valued at \$150,000 and reported unit 00200, and plant type BE valued at \$100,000. At the time of loss unit 00100 FMV-A is \$130,000, unit 00200 FMV-A is \$120,000 and an unreported plant type FMV-A is \$100,000.

Determine the proration factor for each reported unit. Sum FMV-A for all reported unit(s). Divide FMV-A for each unit by the sum of all FMV-As for the reported units to calculate the proration factor to be used for each unit.

Step (1) Sum FMV-A for all reported units.

$$\$130,000 + \$120,000 = \$250,000$$

Step (2) Divide each FMV-A by the sum of FMV-As.

$$\$130,000 \div \$250,000 = 0.520 \text{ factor for unit 00100}$$

$$\$120,000 \div \$250,000 = 0.480 \text{ factor for unit 00200}$$

Step (3) Multiply FMV-A for the unreported unit by the proration factor for each reported unit.

$$\$100,000 \times 0.520 = \$52,000 \text{ to be added to unit 00100}$$

$$\$100,000 \times 0.480 = \$48,000 \text{ to be added to unit 00200}$$

Step (4) Assign the prorated amount of FMV-A for the unreported unit to the corresponding FMV-A for each reported unit.

$$\$130,000 + \$52,000 = \$182,000 \text{ to be entered in item 27 of the Production Worksheet for unit 00100}$$

$$\$120,000 + \$48,000 = \$168,000 \text{ to be entered in item 27 of the Production Worksheet for unit 00200}$$

H. ESTABLISHING FIELD MARKET VALUE B (FMV-B)

- (1) The Special Provisions define how to determine the insurable value of damaged plants that are accepted for coverage and will fully recover at some time after the loss occurrence is calculated as follows:
 - (a) Determine the number of months required for the plant to reach the stage of growth at which damage occurred;
 - (b) Determine the number of months required for the plant to recover to the stage of growth at which damage occurred;
 - (c) Divide the results of (b) by the results of (a);
 - (d) Subtract the results of (c) from 1.000; and
 - (e) Multiply the results of (d) by the insurable plant price.

- (2) Example for calculating FMV-B when the nursery has a 3-gallon *Hibiscus Syriacus* 'Morning Star' with an EPL/PPS value of \$9.90 prior to damage. Assume the 3-gallon *Hibiscus Syriacus* 'Morning Star' is in the 24-month stage of growth on July 1st when the damage occurred and the adjuster determined it is going to take 10 months for the *Hibiscus Syriacus* 'Morning Star' to recover to the pre-damaged stage. The FMV-B value of the 3-gallon *Hibiscus Syriacus* 'Morning Star' will be determined as follows:
- (a) Divide the estimated 10-month recovery time by the 24-month stage of growth: $10 \div 24 = 0.42$ (42 percent) damaged.
 - (b) Subtract the result of (a) from 1.000: $1.000 - 0.42 = 0.58$ (58 percent) undamaged.
 - (c) Multiply the result of (b) by the FMV-A of the 3-gallon *Hibiscus Syriacus* 'Morning Star': 0.58 (58 percent) \times \$9.90 = \$5.74.

The plant will return to the pre-damaged stage on May 1st.

- (3) The insurable stage of growth of a partially-damaged plant is held constant at the stage of growth the plant obtained just prior to the first loss event. The plant is held at this stage until the end of the recovery period.
- (4) The insurable value of the plant will stay at the reduced FMV-B value from the loss event until the plant reaches the end of the recovery period or the plant value is reduced further by an additional loss event.
- (5) The indemnity for an insured plant still in recovery from a first loss event when a second loss event occurs is calculated as follows:
 - (a) Information required from the first loss event:
 - 1 The number of months the plant required to reach the stage of growth at the time the first damage occurred;
 - 2 The number of months required for the plant to recover to the pre-damaged stage of growth;
 - 3 The date of the end of the recovery period when the plant will return to the pre-damaged stage of growth;
 - 4 The number of months remaining for the plant to recover to the pre-damaged stage of growth;
 - 5 The amount of FMV-B for the plant after the first damage occurred;
 - (b) Information required for the second loss event:
 - 1 The number of months the plant required to reach its pre-damaged stage of growth;

- (4) Make separate appraisals for each practice and basic unit, if applicable. Document on a handwritten worksheet the plant name, size, and the amount of plant damage, for any damaged plants with a PDS of greater than 99 (software limitation).
- (5) Document all uninsured causes of loss in the REMARKS section.
- (6) Separate appraisal worksheets are required for each basic unit inspected, if the Nursery Appraisal Software is not used. If the Nursery Appraisal Software is used, separate appraisal worksheets may not be required for each basic unit inspected since the appraisal worksheet created using the Nursery Appraisal Software lists subtotals by plant type.
- (7) For plants insured by written agreement, enter the Type Code and Storage Key in columns 15a through 15d.
- (8) Use separate lines for differing:
 - (a) Size of container for containerized plants or size of plant for field grown plants;
 - (b) Degree of damage is established by the number of months the plants requires to recover to a marketable condition; or
 - (c) Salvage value.
- (9) Standard appraisal worksheet items are numbered consecutively in subsection C. An example appraisal worksheet is also provided to illustrate how to complete entries.

C. WORKSHEET ENTRIES AND COMPLETION INFORMATION

Verify or make the following entries:

<u>Item No.</u>	<u>Information Required</u>
1.	Insured's Name: Name of insured that identifies EXACTLY the person (legal entity) to whom the policy is issued.
2.	Policy Number: Insured's assigned policy number.
3.	Unit Number: <ol style="list-style-type: none"> (a) For an additional level of coverage, enter the unit number (basic unit by type) from the PIVR after it is verified to be correct (e.g., 00100). (b) For CAT level of coverage, enter a unit number to represent the basic unit by share (consisting of all plant types for the practice, as applicable) (e.g., 00100).
4.	Crop Year: Four-digit crop year, as defined in the policy, for which the claim has been filed.

5. **Cause(s) of Damage:** Name of the insured cause(s) of loss for this crop as listed in the LAM. If it is evident that there is no loss, enter “NONE.” If an insured cause of loss is coded as “Other,” explain in the “Remarks.”
6. **Date of Damage:** Enter a SPECIFIC DATE of damage. This consists of the first three letters of the month and the specific date, as in the case of hail damage (e.g., Aug 11) or, for progressive damage, a specific date occurring within any applicable increased level of coverage (due to an upward-revised PIVR or Peak Inventory Endorsement) in effect at the time damage was occurring.
7. **Inspection Number:** Number of the inspection (e.g., 1).
8. **Practice Code:** Check the appropriate box for the three-digit number “007” for field grown or “008” for container grown.
9. **Written Agreement:** Check the appropriate box for “Yes” if SOME plants within the unit are insurable by an approved written agreement or “No” if an approved written agreement is not in effect.
10. **LOC State Code:** Enter the numeric state code (e.g., 37).
11. **LOC County Code:** Enter the numeric county code (e.g., 115).

The applicable hardiness zone is determined by location state and county. Verify that the plant is insurable in the applicable hardiness zone for the nursery. Containerized plants are insurable only within the span of hardiness zones listed in the actuarial documents (EPL/PPS) for the storage key (protection provided). Plants requiring cold protection are not insured against cold damage unless properly stored, as addressed on the storage key. Field plants are insurable in the stated hardiness zone and locations with a higher zone number.

12. **CAT Policy:** Check the appropriate box; “Yes” if the insured selected CAT level of coverage or “No” if the insured selected an additional level of coverage.
13. **Basic Units By Type:** Check the appropriate box: “Yes” if insured selected basic units by type or “No” if insured selected basic units by share. Only additional level of coverage policies may have basic units by type. All CAT level of coverage policies have basic units by share.
14. **Plant Name:** Plant genus, species, and cultivar as listed in the EPL/PPS or from an approved written agreement. Include genus, species, and cultivar name as necessary to establish plant identity and value for the line.
15. **Written Agreement Only:** Complete items 15a through 15d only when the plants entered on the page are insured by written agreement. Otherwise leave blank. For the genus, species, and cultivars shown in item 14 for the line enter, as shown on the written agreement:

15a. **Type Code:** (e.g., BE, DT, etc.).

10. INDEMNITY EXAMPLES

Successive indemnities may be paid on the same basic unit subject to a new occurrence deductible each time. Each indemnity paid reduces the amount of insurance remaining on the basic unit.

The maximum indemnity is limited to the amount of insurance for the basic unit. When the amount of indemnity paid equals the amount of insurance, no additional coverage is available for the remainder of the crop year. However, coverage can be re-established if the nursery is restocked and a revised PIVR is completed and approved by the AIP.

Premium and FMV-A calculations for liner units are calculated using the survival factor shown on the Special Provisions.

The following are simple basic unit examples of indemnity and rehabilitation determinations. Additional examples are contained in Section 15 of the Nursery Crop Provisions.

A. INDEMNITY CALCULATION EXAMPLE (LINER BASIC UNIT):

(1) Indemnity Calculation (Under-Report Situation)

A	Share	100%
B	Reported total value	\$100,000
C	Survival factor	90%
D	Adjusted total value	$B (\$100,000) \times C (0.90) = \$90,000$
E	Coverage level	75%
F	Price election percentage	100%
G	Amount of Insurance	$D (\$90,000) \times E (0.75) \times F (1.000) = \$67,500$
H	Crop Year Deductible	$D (\$90,000) \times 0.25 (1 - E (0.75)) \times F (1.000) = \$22,500$

Values at the time of loss:

I	FMV-A	\$125,000
J	Survival factor	90%
K	Adjusted FMV-A	$I (\$125,000) \times C (0.90) = \$112,500$
L	FMV-B	\$80,000
M	Under-report factor	$D (\$90,000) \div K (\$112,500) = 0.80$
N	Occurrence deductible	$\text{Lesser of } K (\$112,500) \times (1 - E) (0.25) \times M (0.80) = \$22,500; \text{ or } H (\$22,500) = \$22,500$

Step 1	Determine the under-report factor = M (0.80)
Step 2	$K (\$112,500) - L (\$80,000) = \$32,500$
Step 3	$\$32,500 (\text{result of Step 2}) \times M (0.80) = \$26,000$
Step 4	$\$26,000 (\text{result of Step 3}) - N (\$22,500) = \$3,500$
Step 5	$\$3,500 (\text{result of Step 4}) \times F (1.000) = \$3,500$
Step 6	$\$3,500 (\text{result of Step 5}) \times A (1.000) = \$3,500 \text{ indemnity}$

The amount of the CYD remaining is $H (\$22,500) - N (\$22,500) = \$0.00$

The amount of insurance remaining is $G (\$67,500) - \text{Indemnity } (\$3,500) = \$64,000$

If the nursery was to restock the nursery and properly complete a revised PIVR, the CYD and the amount of insurance will increase.

(2) Indemnity Calculation (Over-Report Situation)

A	Share	100%
B	Reported total value	\$100,000
C	Survival factor	90%
D	Adjusted total value	$B (\$100,000) \times C (0.90) = \$90,000$
E	Coverage level	75%
F	Price election percentage	100%
G	Amount of Insurance	$D (\$90,000) \times E (0.75) \times F (1.000) = \$67,500$
H	Crop Year Deductible	$D (\$90,000) \times 0.25 (1 - E (0.75)) \times F (1.000) = \$22,500$

Values at the time of loss:

I	FMV-A	\$80,000
J	Survival factor	90%
K	Adjusted FMV-A	$I (\$80,000) \times C (0.90) = \$72,000$
L	Insured value of the plants listed on the verified sales records	\$5,000
M	FMV-B	\$40,000
N	Over-report factor	$D (\$90,000) \div (K+L) (\$72,000+\$5,000) - 1.100 = 0.07$
O	Occurrence deductible	Lesser of $I (\$80,000) \times (1 - E) (0.25) \times (1 + N) (1.07) = \$21,400$; or $H (\$22,500) = \$21,400$

Step 1	Determine the over-report factor = N (0.07)
Step 2	$K (\$72,000) - M (\$40,000) = \$32,000$
Step 3	$\$32,000 \text{ (result of Step 2)} \times (1 - N) (0.93) = \$29,760$
Step 4	$\$29,760 \text{ (result of Step 3)} - O (\$21,400) = \$8,360$
Step 5	$\$8,360 \text{ (result of Step 4)} \times F (1.000) = \$8,360$
Step 6	$\$8,360 \text{ (result of Step 5)} \times A (1.000) = \$8,360 \text{ indemnity}$

The amount of the CYD remaining is $H (\$22,500) - O (\$21,400) = \$1,100$

The amount of insurance remaining is $G (\$67,500) - \text{Indemnity } (\$8,360) = \$59,140$

If the nursery was to restock the nursery and properly complete a revised PIVR, the CYD and the amount of insurance will increase.

B. INDEMNITY CALCULATION EXAMPLE (ALL OTHER BASIC UNITS):

(1) Indemnity Calculation (Under-Report Situation)

A	Share	100%
B	Reported Basic unit value	\$100,000
C	Coverage level	75%
D	Price election percentage	100%
E	Amount of Insurance	$B (\$100,000) \times C (0.75) \times D (1.000) = \$75,000$
F	Crop Year Deductible	$B (\$100,000) \times 0.25 (1 - C (0.75)) = \$25,000$

Values at the time of loss:

G	FMV-A	\$125,000
H	FMV-B	\$80,000
I	Under-report factor	$B (\$100,000) \div G (\$125,000) = 0.80$
J	Occurrence deductible	Lesser of $G (\$125,000) \times (1 - C) (0.25) \times I (0.80) = \$25,000$; or $F (\$25,000) = \$25,000$

- Step 1 Determine the under-report factor = $I (0.80)$
 Step 2 $G (\$125,000) - H (\$80,000) = \$45,000$
 Step 3 $\$45,000 \times 0.80$ (result of Step 1) = $\$36,000$
 Step 4 $\$36,000 - J (\$25,000) = \$11,000$
 Step 5 $\$11,000 \times D (1.000) = \$11,000$
 Step 6 $\$11,000 \times A (1.000) = \$11,000$ indemnity

The amount of the CYD remaining is $F (\$25,000) - J (\$25,000) = \$0.00$

The amount of insurance remaining is $E (\$75,000) - \text{Indemnity } (\$11,000) = \$64,000$

If the insured was to restock the nursery and properly complete a revised PIVR, the CYD and the amount of insurance will increase.

(2) Indemnity Calculation (Over-Report Situation)

A	Share	100%
B	Reported Basic unit value	\$125,000
C	Coverage level	75%
D	Price election percentage	100%
E	Amount of Insurance	$B (\$125,000) \times C (0.75) \times D (1.000) = \$93,750$
F	Crop Year Deductible	$B (\$125,000) \times 0.25 (1 - C (0.75)) = \$31,250$

Values at the time of loss:

G	FMV-A	\$100,000
H	Insured value of the plants listed on the verified sales records	\$5,000
I	FMV-B	\$50,000
J	Over-report factor	$B (\$125,000) \div (G+H) (\$100,000+\$5,000) - 1.100 = 0.09$
K	Occurrence deductible	Lesser of $G (\$100,000) \times (1 - C) (0.25) \times (1 + J) (1.09) = \$27,250$; or $F (\$31,250) = \$27,250$

- Step 1 Determine the over-report factor = $J (0.09)$
 Step 2 $G (\$100,000) - I (\$50,000) = \$50,000$
 Step 3 $\$50,000 \times (1 - J) (0.91) = \$45,500$
 Step 4 $\$45,500 - K (\$27,250) = \$18,250$
 Step 5 $\$18,250 \times D (1.000) = \$18,250$
 Step 6 $\$18,250 \times A (1.000) = \$18,250$ indemnity

The amount of the CYD remaining is $F (\$31,250) - K (\$27,250) = \$4,000$

The amount of insurance remaining is $E (\$93,750) - \text{Indemnity } (\$18,250) = \$75,500$

If the insured was to restock the nursery and properly complete a revised PIVR, the CYD and the amount of insurance will increase.

11. CLAIM FORM ENTRIES AND COMPLETION PROCEDURES

A. CLAIM FORM STANDARDS

- (1) The entry items in subsection 11C are the minimum Claim Form (hereafter referred to as “Production Worksheet”) requirements. All of these entry items are considered “Substantive” (i.e., they are required.).
- (2) Production Worksheet instructions. The completion instructions for the required entry items on the Production Worksheet in the following subsections are “Substantive” (i.e., they are required.).
- (3) The Privacy Act and Non-Discrimination 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 section. The current Non-Discrimination Statement and Privacy Act Statement can be found on the RMA website at: <http://www.rma.usda.gov/regs/required.html> or successor website.
- (4) The certification statement required by the current DSSH must be included on the form directly above the insured’s signature block immediately followed by the statement below.

“I understand the certified information on this Production Worksheet will be used to determine my loss, if any, to the above unit. The insurance provider may audit and approve this information and supporting documentation. The Federal Crop Insurance Corporation as agency of the United States subsidizes and reinsures this crop insurance.”
- (5) Refer to the DSSH for other crop insurance form requirements (e.g., point size of font, etc.).

B. GENERAL INFORMATION FOR WORKSHEET ENTRIES AND COMPLETION PROCEDURES

- (1) The Production Worksheet is a form specific to nursery loss adjustment. A separate set of Production Worksheets are needed for each basic unit loss inspection; each production worksheet can accommodate up to six plant types for units by share.
- (2) If a change or correction is necessary, strike out entry and re-enter correct entries above previous entry. The adjuster and insured should initial any changes.
- (3) Refer to the LAM for instructions regarding the following:
 - (a) Delayed notices and delayed claims.
 - (b) Corrected claims or fire losses (double coverage) and cases involving uninsured causes of loss, unusual situations, controversial claims, concealment, or misrepresentation.

- b. For CAT level of coverage policies, policies without Peak Inventory Endorsements, or policies with Peak Inventory Endorsements and a payable loss did not occur during the time a Peak Inventory Endorsement was in effect, enter the sum of all “Occurrence Deductibles” (item 31) applied from previous loss occurrences. This figure cannot exceed the amount entered in item 19a.
- c. For policies with an expired Peak Inventory Endorsement(s) and payable loss occurred during the time the Peak Inventory Endorsement was in effect, enter only the amount of the occurrence deductible in excess of the occurrence deductible applicable to the Peak Inventory Endorsement plus any amounts from other previous applicable occurrence deductibles.

Complete entry on only the first page of each inspection when multiple-page basic unit claim forms are required.

- 19c. **Effective CYD:** “Basic Unit CYD” (item 19a) minus “Basic Unit Previous Occurrence Deductible” (item 19b). For multiple page production worksheets, because of greater than 6 plant types within the same basic unit, enter the amount from the previous pages’ column 26f, “CYD Remaining” (item 33).

If a payable loss occurred while a Peak Inventory Endorsement was in effect and the next loss occurrence is after the Peak Inventory Endorsement expired, the CYD will be reduced by only the amount greater than the amount applied for the Peak Inventory Endorsement.

SECTION II - THIS LOSS

There are six item 26, “Type” columns (26a – 26f) provided on the Production Worksheet. A separate production worksheet is required for each basic unit. For CAT and an additional level of coverage with share units and with multiple types applicable, use one column for each type insured and enter the same unit number on all the types (e.g., 00100, etc.) Use additional pages if the basic unit has more than six types insured. If basic units by type are applicable, use column 26a to calculate the loss. For CAT level of coverage policies and additional level of coverage policies with share units with multiple types, use columns 26a – 26f to enter information and column 26g, “Summary,” to calculate the loss. Complete column 26g, “Summary” on the last Production Worksheet, to document the basic unit loss.

- 20a. **Inspection Number:** If the inspection is due to a notice of damage, enter the number of the inspection (e.g., 1), otherwise leave blank.
- 20b. **Coverage Level %:** Enter the coverage level percent selected by the insured.
- 21. **Reported Basic Unit Value:** Sum the PIVR plus any Peak Inventory Value Reports in effect for the basic unit on the date the damage occurs; i.e., “Basic Unit XPS Liability” (Item 18a) plus “Basic Unit CYD” (item 19a).
- 22. **Sum of Previous Losses:** The sum of all previous basic unit losses (difference between FMV-A and FMV-B, adjusted by the Under-Report Factor or 1 minus the Over-Report Factor, as applicable), EXCLUDING losses attributable to a previous Peak Inventory Endorsement after expiration of the Peak Inventory Endorsement; i.e., “Basic Unit Previous Indemnity” (Item 18b) plus “Basic Unit Previous Occurrence Deductible” (item 19b).

Payments made under the Rehabilitation Endorsement will not be considered a previous loss when calculating the under-report factor.

23. **Basic Unit FMV-A:** Sum all FMV-As (entries in item 27) for basic units by share.

For additional level of coverage policies with basic units by type and the nursery has reported all (insurable) plant types, FMV-A and Basic Unit FMV-A will be equal.

For additional level of coverage policies with basic units by type and the nursery has unreported (insurable) plant type(s), FMV-A of the unreported (insurable) plant type(s) will be added proportionally to FMV-A for each reported insured plant type(s) to determine the Basic Unit FMV-A item 23 entry amount when calculating item 24.

- 24a. **Under-Reporting Factor:** The lesser of a) 1.000, or b) “Reported Basic Unit Value” (item 21) minus “Sum of Prev. Losses” (item 22) divided by “Basic Unit FMV-A” (item 23), and round to three decimal places (e.g., 0.775).

If the NGPE applies to the basic unit, no upgraded plant price is used in calculating FMV-A and FMV-B for any unit, if the use of all upgraded plant prices applicable to the unit would cause the under-report factor for the unit to be less than 0.500. FMV-A and FMV-B will be recalculated using the Nursery Crop Provisions to establish the price per plant.

If “Reported Basic Unit Value” (item 21) is greater than or equal to “Basic Unit FMV-A” (item 23), MAKE NO ENTRY.

- 24b. **Over-Reporting Factor:** “Reported Basic Unit Value” minus “Sum of Prev. Losses” divided by (“Basic Unit FMV-A” plus insured value of the plants listed on the verified sales records) minus 1.100 and round to three decimal places (e.g., 0.775). The over-report factor must be greater than 0.000 in order to affect your indemnity. Document the insured value of the plants listed on the verified sales records in the “Narrative.”

$$\text{Over-Reporting Factor} = \frac{\text{Item 21} - \text{Item 22}}{\text{Item 23} + \text{insured value of the plants listed on the verified sales records}} - 1.100$$

If “Reported Basic Unit Value” (item 21) is less than or equal to “Basic Unit FMV-A” (item 23), MAKE NO ENTRY.

25. **Damage Similar to Other Nurseries in the Area?:** Check the appropriate box, “Yes” if amount and cause of damage due to insurable causes is similar to the experience of other nurseries in the area; otherwise “No.” Explain in the Narrative.

- 26a.-26g. **Type:** Enter the two-digit alpha code and three-digit numeric code exactly as specified on the actuarial documents for the type.

- For a BASIC UNIT by plant type, the appropriate two-digit alpha code and three-digit numeric code in column 26a (i.e., BE, 057).
- For a BASIC UNIT for a CAT level of coverage policy, and for a BASIC UNIT for an additional level of coverage policy with Basic Units by share, the appropriate two-digit alpha code and three-digit numeric code in columns 26a – 26f (i.e., BE, 057).

EXAMPLE: “CYD Remaining” (item 33) for the basic unit recorded in column 26a, will be used in place of the “Effective CYD” (item 19c) for column 26b and the “CYD Remaining” (item 33) for the basic unit recorded in column 26b, will be used in place of the “Effective CYD” (item 19c) for column 26c, etc.

34. **Preliminary Indemnity:** For the basic unit, enter the LESSER OF the “Unadjusted Indemnity” (item 32) or the “Effective XPS Liability” (item 18c), in whole dollars.
35. **Percent Share:** The insured’s share (e.g. 1.000).
36. **Price Election Percent:** All CAT level of coverage policies will have a price election percentage of 0.55. All additional level of coverage policies will have a price election percentage of 1.000.
37. **Indemnity:** The result of “Preliminary Indemnity” (item 34) multiplied by “Percent Share” (item 35) multiplied by “Price Election Percent” (item 36), rounded to whole dollars.
38. **Effective XPS Liability Remaining:** Enter the “Effective XPS Liability” (item 18c) for the basic unit minus the “Preliminary Indemnity” (item 34), for this unit in whole dollars.
39. **Narrative:** If more space is needed, document on a Special Report, and enter “See Special Report.” Attach the Special Report to the Production Worksheet.
 - a. Explain any uninsured causes, unusual, or controversial cases.
 - b. If there is an appraisal for uninsured causes due to hail/fire exclusion, show the original hail/fire liability per acre and the hail/fire indemnity per acre.
 - c. State that there is “No other fire insurance” when fire damages or destroys the insured crop and it is determined that the insured has no other fire insurance. Refer to the LAM for more information.
 - d. Explain any errors found on the PIVR and/or Peak Inventory Value Report.
 - e. Explain a “No” checked in item 25.
 - f. Explain any difference between the date of inspection and signature dates. For an ABSENTEE insured, enter the date of the inspection AND the date of mailing the Production Worksheet for signature.
 - g. When any other adjuster or supervisor or consultant accompanied the adjuster on the inspection, enter the code number of any other adjuster, or supervisor, and the name of any consultant present during the inspection and the date of inspection.
 - h. Explain any delayed notices or delayed claims as instructed in the LAM.
 - i. Specify the type of insects or disease when the insured cause of damage or loss is listed as insects or disease. Explain why control measures did not work.

- j. Reasons why upgraded prices(s) were not used, i.e., incomplete records, under-report factor less than 0.500.
- k. Document the plants and the quantity grown in the nursery not belonging to the insured or plants belonging to the insured but grown in a nursery not owned by the insured.
- l. Document the calculation for unreported plant type's proration factor.
- m. Document the calculation for the plants missing from the catalog.
- n. Document the calculation for PIVR reduction because of prohibited plants reported for insurance.
- o. Document the calculations when the nursery has container or plant sizes growing in the nursery that are not listed in the catalog.
- p. If the insured incurred a paid crop insurance indemnity during any of the three most recent crop years due to excess moisture or flood that was not associated with a named storm, document the measures taken to mitigate future losses from excess moisture or flood.
- q. Document insured value of the plants listed on the verified sales records in an over-report situation.
- r. Document any other pertinent information.

- 40. **Insured's Signature and Date:** Insured's (or insured's authorized representative's) signature and date. BEFORE obtaining Insured's signature, REVIEW ALL ENTRIES on the Production Worksheet WITH THE INSURED, particularly explaining codes, etc., that may not be readily understood.
- 41. **Adjuster's Signature, Code Number, and Date:** Signature of adjuster, code number, and date signed **after** the insured (or insured's authorized representative) has signed. For an absentee insured, enter adjuster's code number ONLY. The signature and date will be entered AFTER the absentee has signed and returned the Production Worksheet.
- 42. **Witness' Signature and Date:** Signature of witness and date signed **after** the insured (or insured's authorized representative) and adjuster has signed. For an absentee insured or if signatures are not observed, leave blank.
- 43. **Other Signature(s) and Date(s):** Signature(s) of others if present when the loss adjustment was conducted; e.g., consultants, etc., and the date signed.
- 44. **Page Numbers:** Page numbers - (Example: Page 1 of 1, Page 1 of 2, Page 2 of 2, etc.).

D. PRODUCTION WORKSHEET CALCULATION QUICK REFERENCE

For each loss occurrence

The following items are completed **ONLY** on page 1 of the Production Worksheet for each basic unit.

18a Basic Unit XPS Liability Report	18b Basic Unit Previous Indemnities Sum of item 34, previous losses	18c Effective XPS Liability Item 18a – Item 18b
19a Basic Unit CYD Report	19b Basic Unit Previous Occurrence Deductibles Sum of item 31, previous losses	19c Effective CYD Item 19a – Item 19b
21 Reported Basic Unit Value Item 18a + Item 19a	22 Sum Previous Losses (Adjusted Losses) Item 18b + Item 19b	23 Basic Unit FMV-A Sum of all item 27 entries*
	24a Under-Report factor** Lesser of: 1.000 or (Item 21 – Item 22) ÷ Item 23	
	24b Over-Report factor*** $\left[\frac{(\text{Item 21} - \text{Item 22})}{(\text{Item 23} + \text{insured value of the plants listed on the verified sales records})} \right] - 1.100$	

* If the nursery has unreported plant types, (insurable plant type(s) growing in the nursery but are unreported on the PIVR) a proportional amount is added to the basic unit FMV-A when calculating the under-report factor.

** If Item 21 is greater than or equal to Item 23, MAKE NO ENTRY in Item 24a.

*** If Item 21 is less than or equal to Item 23, MAKE NO ENTRY in Item 24b.

Complete the following items on the Production Worksheet for each basic unit by share with multiple crop types insurable within the same basic unit.

Item:		26a Type:	26b Type:	26g Summary:
27 FMV-A:		Adjuster Determines	Adjuster Determines	Sum of 26a – 26f
28 FMV-B:	28a Value Remaining Insured Cause:	Adjuster Determines	Adjuster Determines	Sum of 26a – 26f
	28b Value Assessed Uninsured	Adjuster Determines	Adjuster Determines	Sum of 26a – 26f
	28c FMV-B(Total):	28a + 28b*	28a + 28b*	Sum of 26a – 26f
29 Unadjusted Loss: <i>FMV-A – FMV-B(Total)</i>		27 – 28c.	27 – 28c.	Sum of 26a – 26f
30 Adjusted Loss: For Under-Reporting: <i>Item 29 X Item 24a</i> For Over-Reporting: <i>Item 29 X (1.000 – Item 24b)</i>		29 X 24a Or 29 X (1.000 – 24b)	29 X 24a Or 29 X (1.000 – 24b)	Sum of 26a – 26f
31 Occurrence Deductible: For Under-Reporting: [27 X (100% – Coverage Level %) X 24a]; OR For Over-Reporting: [27 X (100% – Coverage Level %) X (1+24b)]		Leave Blank	Leave Blank	Least of 30, calc. 31, or 19c
32 Unadjusted Indemnity		Leave Blank	Leave Blank	30 – 31
33 CYD Remaining		Leave Blank	Leave Blank	19c – 31
34 Preliminary Indemnity		Leave Blank	Leave Blank	Lesser of 32 or 18c
35 Percent Share		Leave Blank	Leave Blank	Report
36 Price Election Percent		Leave Blank	Leave Blank	Report
37 Indemnity		Leave Blank	Leave Blank	34 X 35 X 36
38 Effective XPS Liability Remaining		Leave Blank	Leave Blank	18c – 34

- * If the nursery has omitted plant(s), (plants or plant prices omitted from the catalog or price list) add the amount of undamaged plant's value to the sum of 28a and 28b when calculating FMV-B for the unit.

Complete the following items on the Production Worksheet for each basic unit by type.

Item:		26a Type:	26g Summary:
27 FMV-A:		Adjuster determined	Leave Blank
28 FMV-B:	26a Value Remaining Insured Cause:	Adjuster determined	Leave Blank
	26b Value Assessed Uninsured Cause:	Adjuster determined	Leave Blank
	26c FMV-B(Total):	28a + 28b*	Leave Blank
29 Unadjusted Loss: $FMV-A - FMV-B(Total)$		27 – 28c	Leave Blank
30 Adjusted Loss: For Under-Reporting: $29 \times 24a$ For Over-Reporting: $29 \times (1.000 - 24b)$		29 X 24a Or 29 X (1.000 – 24b)	Leave Blank
31 Occurrence Deductible: For Under-Reporting: [27 X (100% – Coverage Level %) X 24a]; OR For Over-Reporting: [27 X (100% – Coverage Level %) X (1+24b)]		Least of 30, calc. 31, or 19	Leave Blank
32 Unadjusted Indemnity:		30 – 31	Leave Blank
33 CYD Remaining:		19c – 31	Leave Blank
34 Preliminary Indemnity:		Lesser of 32 or 18c	Leave Blank
35 Percent Share:		Report	Leave Blank
36 Price Election Percent:		Report	Leave Blank
37 Indemnity:		34 X 35 X 36	Leave Blank
38 Effective XPS Liability Remaining:		18c – 34	Leave Blank

* When the nursery has omitted plant(s) (plants or plant prices omitted from the catalog or price list) add the amount of undamaged plant's value to the sum of 28a and 28b when calculating FMV-B for the unit.

For Illustration Purposes Only NURSERY PRODUCTION WORKSHEET/CLAIM FORM																
1 Crop/Code #: <div style="border: 1px solid black; padding: 2px;">NURSERY 0073</div>		2 Basic Unit: <div style="border: 1px solid black; padding: 2px;">00100</div>		3 Cropping Practice: <div style="border: 1px solid black; padding: 2px;">008</div>		4 Location Description: <div style="border: 1px solid black; padding: 2px;">123 WEST PINE ANY CITY, ANY STATE</div>				8 Company: <div style="border: 1px solid black; padding: 2px;">ABC INSURANCE COMPANY ANY CITY, ANY STATE</div>				9 Name of Insured: <div style="border: 1px solid black; padding: 2px;">I M INSURED</div>		
5 Date(s) of Damage:		JAN 11				Agency: <div style="border: 1px solid black; padding: 2px;">ABC AGENCY ANY CITY, ANY STATE</div>				10 Claim #: <div style="border: 1px solid black; padding: 2px;">XXXXXXXXXX</div>		12 Crop Year: <div style="border: 1px solid black; padding: 2px;">YYYY</div>				
6 Cause(s) of Damage:		FREEZE								11 Policy #: <div style="border: 1px solid black; padding: 2px;">XXXXXXXXXX</div>		14 Date Notice of Loss: <div style="border: 1px solid black; padding: 2px;">MM DD YYYY</div>				
7 Insured Cause %:		100								15 Assign. of Indemnity: <div style="border: 1px solid black; padding: 2px;">Yes</div>		No <div style="border: 1px solid black; padding: 2px;">X</div>				
13 Basic Unit By Type:		Yes		No <div style="border: 1px solid black; padding: 2px;">X</div>						16 Transfer of Right to Indemnity: <div style="border: 1px solid black; padding: 2px;">Yes</div>		No <div style="border: 1px solid black; padding: 2px;">X</div>				
17 Companion Policies:																
SECTION I - IMMEDIATELY PRIOR TO THIS LOSS (Include Applicable Peak Inventory Endorsement(s))																
18a Basic Unit XPS Liability: <i>Excluding Price & Share</i>		750,000		18b Basic Unit Previous Indemnity(ies): <i>Sum of item 34, previous losses (Exclude Indemnities applicable to Peak Inventory Endorsements)</i>				0		18c Effective XPS Liability: <i>18a – 18b or 38 from page 1 if > 6units</i>		750,000				
19a Basic Unit CYD: <i>Inventory Value X (1,000 – Coverage Level %)</i>		250,000		19b Basic Unit Previous Occurrence Deductible(s): <i>Sum of item 31, previous losses (Exclude Occurrence Deductible(s) applicable to Peak Inventory Endorsements)</i>				0		19c Effective CYD: <i>19a – 19b or 33 from page 1 if > 6 units</i>		250,000				
SECTION II - THIS LOSS																
20a Inspection Number: <div style="border: 1px solid black; padding: 2px;">1</div>		21 Reported Basic Unit Value: <i>Item 18a + Item 19a</i> 1,000,000		22 Sum of Previous Losses: <i>Adjusted Losses (Item 18b + Item 19b)</i> 0		23 Basic Unit FMV-A: <i>Sum of all item 27 entries</i> 875,000		24a Under-Report Factor: <i>Lesser of 1.000 or (Item 21 – Item 22) ÷ Item 23</i>		24b Over-Report Factor: <i>[(Item 21 – Item 22) ÷ (Item 23 + insured value of the plants listed on the verified sales records)] – 1.100</i> 0.03						
20b Coverage Level %: <div style="border: 1px solid black; padding: 2px;">75%</div>																
25 Damage similar to other nurseries in the area?				26a Type:		26b Type:		26c Type:		26d Type:		26e Type:		26f Type:		26g Summary:
Yes <div style="border: 1px solid black; padding: 2px;">X</div> No <div style="border: 1px solid black; padding: 2px;"></div>				Alpha Code DT		Numeric Code 056										
27 FMV-A:				875,000												
28a Value Remaining Insured Cause:				550,500												
28b Value Assessed Uninsured Cause:				10,000												
28c FMV-B(Total): <i>Item 28a + Item 28b</i>				560,500												
29 Unadjusted Loss: (FMV-A – FMV-B(Total) <i>Item 27 – Item 28c</i>)				314,500												
30 Adjusted Loss: Over-report situation: <i>Item 29 X Item (1 - 24b)</i>				305,065												
31 Occurrence Deductible: Over-report situation: <i>Item 27 X [(100% – Item 20b) X (1 + 24b)]</i>				225,313												
32 Unadjusted Indemnity: <i>Item 30 – Item 31</i>				79,752												
33 CYD Remaining: <i>Item 19c – Item 31</i>				24,687												
34 Preliminary Indemnity: <i>Lesser of item 32 or item 18c</i>				79,752												
35 Percent Share:				1.000												
36 Price Election Percent:				1.00												
37 Indemnity:				79,752												
38 Effective XPS Liability Remaining: <i>Item 18c – Item 34</i>				670,248												
39 Narrative: (If more space is needed, attach a Special Report)																
This is a Buy-up Policy with an over-reported inventory value. Insured value of the plants listed on the verified sales records = \$10,000.																

This form example does not illustrate all required entry items (e.g., signatures, dates, etc.).

For Illustration Purposes Only NURSERY PRODUCTION WORKSHEET/CLAIM FORM																					
1 Crop/Code #: NURSERY 0073		2 Basic Unit: 00100		3 Cropping Practice: 007		4 Location Description: 123 WEST PINE ANY CITY, ANY STATE				8 Company: ABC INSURANCE COMPANY ANY CITY, ANY STATE				9 Name of Insured: I M INSURED							
5 Date(s) of Damage:		JAN 20				Agency: ABC AGENCY ANY CITY, ANY STATE				10 Claim #: XXXXXXXX		12 Crop Year: YYYY									
6 Cause(s) of Damage:		FREEZE								11 Policy #: XXXXXXXX		14 Date Notice of Loss: MM DD YYYY									
7 Insured Cause %:		100								15 Assign. of Indemnity: Yes		No		X							
13 Basic Unit By Type:		Yes		No		X				16 Transfer of Right to Indemnity: Yes		No		X							
										17 Companion Policies:											
SECTION I - IMMEDIATELY PRIOR TO THIS LOSS (Include Applicable Peak Inventory Endorsement(s))																					
18a Basic Unit XPS Liability: <i>Excluding Price & Share</i>				750,000		18b Basic Unit Previous Indemnity(ies): <i>Sum of item 34, previous losses (Exclude Indemnities applicable to Peak Inventory Endorsements)</i>				190,000		18c Effective XPS Liability: <i>18a – 18b or 38 from page 1 if > 6units</i>				560,000					
19a Basic Unit CYD: <i>Inventory Value X (1,000 – Coverage Level %)</i>				750,000		19b Basic Unit Previous Occurrence Deductible(s): <i>Sum of item 31, previous losses (Exclude Occurrence Deductible(s) applicable to Peak Inventory Endorsements)</i>				750,000		19c Effective CYD: <i>19a – 19b or 33 from page 1 if > 6 units</i>				0					
SECTION II - THIS LOSS																					
20a Inspection Number: 2				21 Reported Basic Unit Value: <i>Item 18a + Item 19a</i> 1,500,000				22 Sum of Previous Losses: <i>Adjusted Losses (Item 18b + Item 19b)</i> 940,000				23 Basic FMV-A: <i>Sum of all item 27 entries</i> 800,000				24a Under-Report Factor: <i>Lesser of 1.000 or (Item 21 – Item 22) ÷ Item 23</i> 0.70					
20b Coverage Level %: 50%																24b Over-Report Factor: <i>[(Item 21 – Item 22) ÷ (Item 23 + insured value of the plants listed on the verified sales records)] – 1.100</i>					
25 Damage similar to other nurseries in the area?						26a Type:		26b Type:		26c Type:		26d Type:		26e Type:		26f Type:		26g Summary:			
Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>						Alpha Code BE Numeric Code 057		Alpha Code BS Numeric Code 061		Alpha Code Numeric Code 		Alpha Code Numeric Code 		Alpha Code Numeric Code 		Alpha Code Numeric Code 					
27 FMV-A:						500,000		300,000										800,000			
28 FMV-B:						28a Value Remaining-Insured Cause:		260,000		0								260,000			
						28b Value Assessed Uninsured Cause:		0		0										0	
						28c FMV-B(Total): <i>Item 28a + Item 28b</i>		260,000		0										260,000	
29 Unadjusted Loss: (FMV-A – FMV-B(Total) <i>Item 27 – Item 28c</i>)						240,000		300,000										540,000			
30 Adjusted Loss: Under-report situation: <i>Item 29 X Item 24a</i>						168,000		210,000										378,000			
31 Occurrence Deductible: Under-report situation: <i>Item 27 X [(100% – Item 20b) X Item 24a]</i>																		0			
32 Unadjusted Indemnity: <i>Item 30 – Item 31</i>																		378,000			
33 CYD Remaining: <i>Item 19c – Item 31</i>																		0			
34 Preliminary Indemnity: <i>Lesser of item 32 or item 18c</i>																		378,000			
35 Percent Share:																		1.000			
36 Price Election Percent:																		.55			
37 Indemnity:																		207,900			
38 Effective XPS Liability Remaining: <i>Item 18c – Item 34</i>																		352,100			
39 Narrative: (If more space is needed, attach a Special Report)																					
This is a CAT Policy with an under-reported inventory value. Insured has purchased additional stock after first loss occurrence.																					

This form example does not illustrate all required entry items (e.g., signatures, dates, etc.).

12. REFERENCE MATERIAL

TABLE A - FCIC CONTAINER SIZES

Container sizes are determined on an actual volume basis for purposes of determining the size of the container on the EPL/PPS. The FCIC container sizes and volumes are shown below.

FCIC SIZE NAME	GALLON MEASUREMENT		CUBIC INCH EQUIVALENT		INCLUDES STANDARD ANSI CLASS
	MINIMUM	MAXIMUM	MINIMUM	MAXIMUM	
POT	0.08	0.19	18.48	45.19	SP3
1 QUART	0.20	0.39	46.20	92.39	SP4
2 QUART	0.40	0.59	92.40	138.59	SP5
1 GALLON	0.60	1.37	138.60	318.77	1
2 GALLON	1.38	2.49	318.78	577.49	2
3 GALLON	2.50	3.39	577.50	785.39	3
5 GALLON	3.40	5.77	785.40	1,335.17	5
7 GALLON	5.78	8.49	1,335.18	1,963.49	7
10 GALLON	8.50	11.97	1,963.50	2,767.37	10
15 GALLON	11.98	17.49	2,767.38	4,042.49	15
20 GALLON	17.50	22.49	4,042.50	5,197.49	20
25 GALLON	22.50	29.79	5,197.50	6,883.79	25
30 GALLON	29.80	32.49	6,883.80	7,507.49	N/A
35 GALLON	32.50	37.49	7,507.50	8,662.49	N/A
40 GALLON	37.50	42.49	8,662.50	9,817.49	N/A
45 GALLON	42.50	47.49	9,817.50	10,972.49	N/A
50 GALLON	47.50	52.49	10,972.50	12,127.49	N/A
55 GALLON	52.50	57.49	12,127.50	13,282.49	N/A
60 GALLON	57.50	62.49	13,282.50	14,437.49	N/A
65 GALLON	62.50	67.49	14,437.50	15,592.49	N/A
70 GALLON	67.50	72.49	15,592.50	16,747.49	N/A
75 GALLON	72.50	77.49	16,747.50	17,902.49	N/A
80 GALLON	77.50	82.49	17,902.50	19,057.49	N/A
85 GALLON	82.50	87.49	19,057.50	20,212.49	N/A
90 GALLON	87.50	92.49	20,212.50	21,367.49	N/A
95 GALLON	92.50	97.49	21,367.50	22,522.49	N/A
100 GALLON	97.50	124.49	22,522.50	28,759.49	N/A
150 GALLON	124.50	174.49	28,759.50	40,309.49	N/A
200 GALLON	174.50	224.49	40,309.50	51,859.49	N/A
250 GALLON	224.50	274.49	51,859.50	63,409.49	N/A
300 GALLON	274.50	324.49	63,409.50	74,958.00	N/A