

United States  
Department of  
Agriculture



Federal Crop  
Insurance  
Corporation



Risk Management  
Agency



Product  
Administration  
and Standards  
Division

FCIC-25040 (11-2010)  
FCIC-25040-1 (8-2011)  
FCIC-25040-2 (8-2012)

# **ARIZONA- CALIFORNIA CITRUS LOSS ADJUSTMENT STANDARDS HANDBOOK**

## **2014 and Succeeding Crop Years**



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

<b>TITLE: ARIZONA-CALIFORNIA CITRUS LOSS ADJUSTMENT STANDARDS HANDBOOK</b>	<b>NUMBER: FCIC-25040 (11-2010) FCIC-25040-1 (8-2011) FCIC-25040-2 (8-2012)</b>
<b>EFFECTIVE DATE: 2014 and succeeding crop years</b>	<b>ISSUE DATE: August 30, 2012</b>
<b>Subject:</b>  <b>Provides the procedures and instructions for administering the Arizona-California Citrus crop insurance program.</b>	<b>OPI: Product Administration and Standards Division</b>
	<b>APPROVED: August 30, 2012</b>
	<b>/S/ Tim B. Witt  Deputy Administrator for Product Management</b>

**REASONS FOR AMENDMENT**

Major Changes: Refer to changes or additions in text that have been highlighted. Three stars (\*\*\*) identify information that has been removed.

- A. Subsection 5C(2), page 9: Clarified that an actual appraisal of unharvested acreage may not be necessary when conducting a Representative Harvested Acreage Appraisal, as long as the harvested acreage can be verified as being representative of the unharvested acreage.
- B. Subsection 8C Narrative, page 26: Added instruction “w” for the adjuster to verify whether or not frost protection is in place and adequate as defined in the Special Provisions when the insured has elected the frost protection option, and whether or not such frost protection was properly utilized if the cause of loss is frost related.

## SUMMARY OF CHANGES/CONTROL CHART

Control Chart For: Arizona-California Citrus Loss Adjustment Standards Handbook							
	SC Page(s)	TC Page(s)	Text Page(s)	Reference Material	Exhibits	Date	Directive Number
Remove	1-2	-	9-10 25-26	-	-	8-2011 11-2010 11-2010	FCIC-25040-1 FCIC-25040 FCIC-25040
Insert	1-2	-	9-10 25-26	-	-	8-2012	FCIC-25040-2
Current Index	1-2	1-2	1-4 5-6 7-8 9-10 11-14 15-16 17-20 21-24 25-26 27-28 29-31	32 33-40	-	8-2012 11-2010 8-2011 11-2010 8-2012 11-2010 8-2011 11-2010 8-2011 8-2012 11-2010 8-2011 11-2010	FCIC-25040-2 FCIC-25040 FCIC-25040-1 FCIC-25040 FCIC-25040-2 FCIC-25040 FCIC-25040-1 FCIC-25040 FCIC-25040-1 FCIC-25040-2 FCIC-25040 FCIC-25040-1 FCIC-25040

## **C. CITRUS APPRAISALS USING HARVESTED SAMPLES OR ACREAGE**

- (1) **Representative Tree Appraisals.** When representative harvested citrus trees are used for the appraisal, the adjuster and insured will jointly select representative sample trees that reflect the type and severity of insured crop damage in the unit/block. The adjuster will make arrangements with the insured to do a field inspection while the insured harvests the selected representative sample trees. During the field inspection, the adjuster will:
  - (a) Select a representative sample of mature citrus fruit for grading from the harvested sample fruit as described in section 5 B;
  - (b) Determine the amount of appraised potential production on each sample tree as described in section 5 B, and
  - (c) Document the amount of potential appraised production on the appraisal worksheet as described in sections 7 and 8 below.
- (2) **Representative Harvested Acreage Appraisals.** DO NOT USE THIS METHOD if the unharvested acreage will be harvested. Use this method only when harvested acreage can be verified as being representative of the unharvested acreage.
  - (a) **Prior to harvest, estimate** the amount of potential gross production on the unharvested representative acreage.
  - (b) Compare the **estimate** for the unharvested acreage determined in (a) above to the actual gross production from the harvested acreage. If the **estimated** gross potential production is comparable to the harvested gross production, use the average yield per acre from the harvested acreage as the per acre appraisal for the unharvested acreage; otherwise, use the appraisal procedures specified in section B herein.
  - (c) Document **in the Remarks section** or on a Special Report how the unharvested acreage appraisal was determined, **including but not limited to the estimation method and calculations used to determine both the unharvested acreage potential and resulting appraisal.**

## **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. See the LAM for additional information.

## **7. APPRAISAL WORKSHEET ENTRIES AND COMPLETION PROCEDURES**

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### **A. APPRAISAL WORKSHEET STANDARDS**

- (1) The entry items in subsection C are the minimum requirements for the AZ & CA Citrus Appraisal Worksheet hereafter referred to as the Appraisal Worksheet. 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 Appraisal Worksheet or provided to the insured as a separate document. These statements are not shown on the example worksheet, herein. The current Privacy Act and Nondiscrimination statements can be found on the RMA website at [www.rma.usda.gov/regs/required.html](http://www.rma.usda.gov/regs/required.html).
- (4) Refer to the DSSH for other crop insurance form requirements (e.g., font point size, etc.).

### **B. GENERAL INFORMATION FOR APPRAISAL WORKSHEET ENTRIES AND COMPLETION PROCEDURES**

- (1) Include the AIP’s name in the Appraisal Worksheet title if not preprinted on the AIP’s worksheet, and 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 or block inspected. Use separate lines on the Appraisal Worksheet for uninsured causes. Refer to section 4 for sampling instructions.
- (4) For every inspection complete items 1 through 8, and item 18 of the Appraisal Worksheet.
- (5) Standard Appraisal Worksheet items are numbered consecutively in subsection C. An example Appraisal Worksheet is also provided to illustrate how to complete entries.

## **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. If no acreage is released on the unit, enter "No acreage released," adjuster's initials, and date.
- b. If notice of damage was given and "No Inspection" is necessary, enter the unit number(s), "No Inspection," date, and adjuster's initials. The insured's signature is not required.
- c. Explain any uninsured causes, unusual, or controversial cases.
- d. If there is an appraisal in item 37 for uninsured causes due to a hail/fire exclusion, document the original hail/fire liability per acre and the hail/fire indemnity per acre.
- e. Document the actual appraisal date if an appraisal was performed prior to the adjuster's signature date on the Appraisal Worksheet, and the date of the appraisal is not recorded on the Appraisal Worksheet.
- f. 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. Also, refer to the LAM.
- g. Explain any errors found on the Summary of Coverage.
- h. Explain any commingled production. Refer to the LAM.
- i. Explain any entry for "Production Not to Count" in item 62 and/or any production not included in item 56.
- j. Explain a "NO" checked in item 44.
- k. Attach a sketch map or aerial photograph to identify the total unit:
  - (1) If consent is or has been given to put part of the unit to another use;
  - (2) If uninsured causes are present; or
  - (3) For unusual or controversial cases.

Indicate on the aerial photo or sketch map, the disposition of acreage destroyed or put to other use with or without consent.

- l. Explain any difference between inspection and signature dates. For an ABSENTEE insured, enter the date of the inspection AND the date of mailing the Production Worksheet for signature.
- m. When any other adjuster or supervisor accompanied the adjuster on the inspection, enter the code number of the other adjuster or supervisor and date of inspection.
- n. Explain any delayed notices or delayed claims as instructed in the LAM.
- o. Document any authorized estimated acres shown in item 19 as follows: "Line 3 'E' acres authorized by the AIP MM/DD/YYYY."
- p. Document the method and calculation used to determine acres for the unit. Refer to the LAM.
- q. Explain if there is no market value for any appraised potential of citrus fruit.
- r. Specify the type of insects or disease when the insured cause of damage or loss specified in the policy that prevented is listed as insects or disease. Explain why control measures did not work.
- s. Explain the reason for a "No Indemnity Due" claim. No Indemnity Due claims are to be distributed in accordance with the AIP instructions.
- t. Document the name and address of the charitable organization when gleaned acreage is applicable. Refer to the LAM for more information on gleaning.
- u. For production ordered to be destroyed due to the presence of injurious substances or conditions, document the following:
  - (1) Explain any ".000" factor entered in columns 35 and 65.
  - (2) The circumstances that caused the crop to be affected by an injurious substance or condition, date the crop was destroyed and the method of destruction. Attach to the claim the insured's completed Certification Form, a copy of the destruction order issued by the Federal or State agency and (if applicable) a copy of the laboratory test results that confirms the presence of injurious substances or conditions.
  - (3) Refer to the LAM for additional documentation requirements.
- v. Document any other pertinent information, including any data to support any factors used to calculate the production.
- w. Verify whether or not frost protection is in place and adequate as defined in the Special Provisions when the insured has elected the frost protection option, and whether or not such frost protection was properly utilized if the cause of loss is frost related.