



August 25, 2005

United States
Department of
Agriculture

Risk
Management
Agency

6501 Beacon Drive
Kansas City,
MO 64133-4676

INFORMATIONAL MEMORANDUM: R&D-05-036

TO: All Reinsured Companies
All Risk Management Agency Field Offices
All Other Interested Parties

FROM: Tim B. Witt /s/ *Tim B. Witt*
Deputy Administrator

SUBJECT: Nursery Insurance Attachment Dates and Submission Requirements

Significant changes to the Nursery Crop Insurance Provisions effective for the 2006 crop year were made available on June 29, 2005. Approved insurance providers (AIP's) and their agents have been working diligently to educate nursery growers on the new Nursery Crop Insurance Provisions. However, there are two important changes the Risk Management Agency (RMA) believes are worthy of highlighting for AIP's to be particularly diligent in advising agents and insureds as critical policy inception dates near.

The first involves the automatic coverage feature found in Section 6 of the Nursery Crop Insurance Provisions (99-073). For the 2005 and prior crop years, if a carryover insured failed to submit a Plant Inventory Value Report (PIVR) by September 1, as required by the policy, the coverage amounts and elections from the previous crop year were automatically carried over to the next year. This is no longer true. For the 2006 crop year, in accordance with section 6 of the 2006 Nursery Crop Insurance Provisions (06-073), a carryover insured who fails to submit an updated PIVR by September 30, 2005, will not have coverage in effect for the 2006 crop year until 30 days after the PIVR is submitted. Likewise, carryover insureds who fail to submit two copies of their most recent catalog or price list (hereinafter "catalogs") by September 30, 2005, will not have coverage in effect for the 2006 crop year until 30 days after the catalogs are submitted.

The second, in accordance with section 3 of the 2006 Nursery Crop Provisions, requires insureds to submit coverage level changes by the sales closing date (September 30, 2005, for the 2006 crop year); however, there is a 30-day waiting period before new coverage level increases take effect. This is discussed in paragraph II.A.2. below. (The 30-day waiting period for the new coverage level to take effect will not occur in future crop years because the sales closing date will be set 30 days prior to the beginning of the crop year.)

The following changes affect 2006 crop year insurance attachment dates and submission requirements for new and carryover insureds.



The Risk Management Agency Administrators
And Oversees All Programs Authorized Under
The Federal Crop Insurance Corporation

An Equal Opportunity Employer

I. For new insureds:

- A. For the 2006 crop year only, if all required documents are received by the AIP on or before August 31, 2005, insurance will attach for the insured practice(s) (container grown or field grown) on October 1, 2005, unless the AIP notifies the insured the PIVR or catalog is not acceptable.
- B. For the 2006 crop year only, if an application is submitted after August 31, 2005, and on or before May 1, 2006, insurance will attach 30 days after submission of the application, PIVR, and catalogs for the insured practice(s); unless the AIP notifies the insured the PIVR or catalog is not acceptable.
- C. For the 2007 crop year (and subsequent crop years), the application, PIVR, and catalogs must be received on or before the May 1 sales closing date for insurance to attach on June 1, 2006. Otherwise, insurance will attach 30 days after submission of the application, PIVR, and catalogs for the insured practice(s)
- D. The Rehabilitation Endorsement must be elected at time of application.
- E. The Peak Inventory Endorsement may be elected anytime during the crop year, subject to a 30-day waiting period for coverage to attach.

II. For carryover insureds:

- A. For the 2006 crop year only:
 - 1. PIVRs and catalogs must be received by the AIP on or before the September 30, 2005, sales closing date for insurance to attach on October 1, 2005.
 - 2. New coverage level elections may be submitted up through the sales closing date (September 30, 2005); however, for coverage level increases, there is a 30-day waiting period until the new coverage levels are in effect. Coverage level increase requests received by August 31, 2005, will be effective on October 1, 2005. If coverage level increases are requested after August 31, 2005, and on or before September 30, 2005, the prior year coverage level election will remain in effect on October 1, 2005, (using the values shown on the new PIVRs) subsequent to completion of the required 30-day wait for the coverage level increase to attach. For the 2007 and subsequent crop years, coverage level changes must be requested on or before the May 1 sales closing date.
- B. For the 2007 and subsequent crop years, PIVRs and catalogs must be received by the AIP on or before the May 1 sales closing date for insurance to attach on June 1.

- C. The Rehabilitation Endorsement must be elected on or before September 30, 2005, for the 2006 crop year, and on or before the May 1 sales closing date for the 2007 and subsequent crop years.
- D. The Peak Inventory Endorsement may be elected anytime during the crop year subject to a 30-day wait for attachment.

DISPOSAL DATE:

This Informational Memorandum is for the purpose of transmitting information only. Its disposal date is May 31, 2006.