

**SUMMARY OF CHANGES FOR TEXAS CITRUS TREE CROP PROVISIONS (14-TCT)**  
**(Released June 2013)**

The following is a brief description of changes to the Texas Citrus Tree Crop Provisions that will be effective for the 2014 and succeeding crop years. Please refer to the Texas Citrus Tree Crop Provisions for more complete information.

Section 1 – Definitions

- Revised the definition of share to remove the requirement for a long term lease and replace it with lease between the insured and owner requiring the insured to follow recognized management practices, that clearly establishes the insured's share, and which must be on file with the approved insurance provider at the time insurance attaches.
- Revised the definition of reset to delete duplicate wording.

Section 8 – Insured Crop

- Clarified section 8(a) by specifying the crop insured is each type of citrus trees listed in the Special Provisions. The purpose is to indicate that each listed type is a separate crop and subject to separate administrative fees.



UNITED STATES DEPARTMENT OF AGRICULTURE  
Federal Crop Insurance Corporation  
TEXAS CITRUS TREE CROP PROVISIONS

1. **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 you 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 you.

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

**Buckhorn** – To prune any limb at a diameter of at least three inches for citrus trees.

**Bud union** – The location on the tree trunk where a bud from one tree variety is grafted onto the rootstock of another variety.

**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.

**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.

**Destroyed tree** –

- (a) For damage due to insured causes occurring during the year of set out, any insurable tree with no live wood above the bud union.
- (b) For damage due to insured causes occurring in any year following the year of set out, or for buckhorned or topworked trees, damage occurring either during the year the trees are topworked or buckhorned or any year thereafter, any insurable tree that:
  - (1) Is dead;
  - (2) Is toppled and reset is not possible, or the tree is missing;
  - (3) There is no live wood above the bud union; or
  - (4) Is damaged within one foot of the trunk for stage II and stage III trees.
- (c) Destroyed trees are considered 100 percent damaged. The percent of damage is determined in accordance with section 13(b) of these Crop Provisions.

**Excess moisture** – Direct or proximate rainfall in quantities sufficient to destroy the tree.

**Freeze** – The formation of ice in the cells of the trees

caused by low air temperatures.

**Fully damaged tree** – An insurable tree that is 100-percent damaged and requires rehabilitation or reset, but is not destroyed. The percent of damage is determined in accordance with section 13(b) of these Crop Provisions.

**Graft union** – The location where the scion is joined to the interstock of a topworked tree.

**Grafting** – Creating a permanent union between two plants by inserting an offspring of one tree into a stem or branch of another.

**Interstock** – That area of the tree that is grafted to the rootstock. For example, the rootstock may be Sour Orange, the interstock grapefruit, and the grafted scion Valencia orange.

**Occurrence loss option** – An option that may be elected by you that eliminates the unit deductible in accordance with section 15 of these Crop Provisions.

**Partial damage factor** – A factor contained in the Special Provisions for each stage and used to determine the percent of damage for the applicable stage of partially damaged trees.

**Partially damaged tree** – An insurable tree that requires rehabilitation but for which the extent of damage is less than 100 percent. The percent of damage is determined in accordance with section 13(b) of these Crop Provisions.

**Practice** – A practice as identified in the Special Provisions.

**Rehabilitation** – The pruning of limbs at a diameter of at least one inch for citrus trees, in an attempt to remove the damaged areas and allow the tree to recover.

**Replacement trees** – Trees set out in existing groves to replace trees that are no longer productive or that have been destroyed.

**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.

**Sales closing date** - In lieu of the definition in section 1 of the Basic Provisions, the sales closing date for the 2012 crop year will be November 20. For each subsequent crop year, the sales closing date will be November 1 unless another date is shown in the Special Provisions. All applications, including those for new or amended coverage, are subject to a 30-day waiting period following the sales closing date before commencement of coverage as specified in section 10(a) and (b) of these Crop Provisions.

**Scion** – A detached living portion of a plant joined to a stock in grafting.

**Set out** – Transplanting a tree into the grove.

**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 or operator 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, your share will not exceed your 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, 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, buckhorned or topworked two or more crop years, or rehabilitated (excluding buckhorning) or reset after having been toppled less than two crop years prior to the beginning of the current crop year, but does 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; or
  - (3) Third crop year after being rehabilitated (excluding buckhorning) or reset.

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

**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 us 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.

**Toppled** – A tree that is no longer upright and has an exposed root system.

**Topworked** – A buckhorned tree with a new scion grafted onto the interstock.

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

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

**Undamaged tree** – A tree with live wood above the bud union that does not require rehabilitation, reset, or removal.

**Underreport factor (unit)** – A factor determined by us and used to adjust your indemnity in Section 13(a) when you have 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 deductible** – The dollar amount determined by multiplying the actual number of insurable trees in each stage-block in the unit 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, totaling these values, and multiplying this result times the deductible.

**Unit value** – Unless otherwise specified on the actuarial documents, the amount determined by multiplying the actual number of insurable trees in each stage-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 applicable tree reference price for the stage and type listed in the Addendum to the Special Provisions, totaling these values, and then multiplying this result times the coverage level selected by you.

## 2. Unit Division.

- (a) A basic unit, as defined in section 1 of the Basic Provisions, will be divided into additional basic units by each type contained in the Special Provisions.
- (b) The provisions in section 34 of the Basic Provisions 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.
- (c) Instead of establishing optional units by section, section equivalents, or FSA farm serial number as specified in section 34 of the Basic Provisions, units may be established if each optional unit is located on non-contiguous land.

## 3. Insurables, Guarantees, Coverage Levels, and Prices for Determining Indemnities.

In addition to the requirements of section 3 of the Basic Provisions:

- (a) You may select only one coverage level for each crop that you elect to insure.
- (b) After the initial crop year of insurance, your coverage level election and optional coverage may only be changed on or before the sales closing date prior to the beginning of the crop year for which the change is to be effective.
- (c) Your request to elect a higher coverage level or to add optional coverage will not be accepted if a cause of loss that could or would cause damage to the insured crop is evident when your request is made.
- (d) If by the:
  - (1) Sale closing date, you elect:
    - (i) A higher coverage level; or
    - (ii) To add optional coverage; or
  - (2) Acreage reporting date, you:
    - (i) Increase your insured share, or
    - (ii) Report additional insurable trees such that the amount of protection will increase by more than 10 percent; and
  - (3) Insured damage occurs after the sales closing date—but before the date insurance attaches for the crop year, any election or change you have made under section 3(d)(1) or (2) of these Crop Provisions will not be effective for

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the crop year for which the election or change was made.

**4. Contract Changes.**

In accordance with section 4 of the Basic Provisions, the contract change date is June 30 preceding the cancellation date.

**5. Cancellation and Termination.**

In accordance with section 2 of the Basic Provisions, the cancellation and termination dates are November 30.

**6. Report of Acreage.**

(a) In addition to the provisions in section 6(c) of the Basic Provisions, you must report by stage-block for each unit:

- (1) The stage of the trees; and
- (2) The number of trees, insurable and not insurable.

(b) You must submit a pre-acceptance worksheet and grove identification map, which indicates the location of each stage-block of trees by section and includes any trees not insurable, for each unit with your application. A revised worksheet and map must be submitted by the acreage reporting date if any trees are added in a succeeding crop year.

(c) Section 6(g)(1)(i) of the Basic Provisions does not apply.

**7. Annual Premium.**

In lieu of section 7(c) of the Basic Provisions, we will determine your annual premium by multiplying the amount of protection for the unit times your share, times the applicable premium rate, and times any applicable premium adjustment percentages shown in the actuarial documents.

**8. Insured Crop.**

(a) In accordance with section 8 of the Basic Provisions, the crop insured will be those trees of each type contained in the Special Provisions, for which you elect insurance coverage and a premium rate is quoted in the actuarial documents:

- (1) That are grown in the county listed on your application;
- (2) That are adapted to the production area;
- (3) In which you have a share;
- (4) That are irrigated;
- (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 grown to produce a commodity intended to be sold as fruit or juice for human consumption.

(b) In addition to the exclusions listed in section 8 of the Basic Provisions, we do not insure any trees that:

- (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 before the beginning of the insurance period (If trees suffered damage the previous crop year, then insurance will not attach until the previous year's damage is determined, you submit a revised acreage report, and the trees are accepted by us); or

(6) Are inspected by us and considered unacceptable.

**9. Insurable Acreage.**

In lieu of Section 9(a)(2)(v) of the Basic Provisions, citrus trees interplanted with another perennial crop are insurable, unless we inspect the acreage and determine that it does not meet the requirements contained in your policy.

**10. Insurance Period.**

(a) In lieu of the provisions of section 11 of the Basic Provisions, coverage begins:

- (1) For the 2012 crop year, on November 21 following the sales closing date for the crop year unless we notify you within the 10-day period following the sales closing date that all or a part of your trees are not insurable;
- (2) For the 2013 and subsequent crop years, on December 1 following the sales closing date unless we notify you prior to December 1 that all or part of your trees are not insurable; or
- (3) For any crop year, upon set out for trees initially set out or set out as replacement trees after the date insurance attaches for the crop year, if:
  - (i) A revised acreage report to increase the amount of protection is submitted in accordance with section 6 of these Crop Provisions within 72 hours of set out;
  - (ii) The trees are inspected and accepted by us; and
  - (iii) We approve the revised acreage report.

(b) In accordance with the requirements contained in section 11(b) of the Basic Provisions, the calendar date for the end of insurance period is November 30 of the crop year.

**11. Causes of Loss.**

(a) In accordance with the provisions of section 12 of the Basic Provisions, insurance is provided 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 has not been removed from the grove;
- (7) Insects, diseases, and other pathogens, if allowed by the Special Provisions; and
- (8) Failure of the irrigation water supply if caused by an insured peril or drought that occurs during the insurance period.

(b) In addition to the causes of loss excluded in section 12 of the Basic Provisions, we will not

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insure against damage other than actual damage to the tree from an insurable cause specified in this section.

### 12. Duties in the Event of Damage or Loss.

- (a) In addition to the requirements of section 14 of the Basic Provisions, if you intend to claim an indemnity, you must not prune, buckhorn, topwork, or remove any damaged trees until we have inspected the unit. Such inspections will occur within 10 days of the notice of loss, unless we advise you that additional time is needed.
- (b) In lieu of section 14(e)(3)(i) of the Basic Provisions, you must submit a claim for indemnity declaring the amount of your loss not later than 60 days after the end of the insurance period, or if the amount of damage cannot be determined until after the insurance period, not later than twelve months after the end of the insurance period. This claim must include all the information we require to determine your indemnity.

### 13. Settlement of Claim.

- (a) We will determine your loss on a unit basis. In the event of loss or damage covered by this policy, we will settle your claim as specified below:
  - (1) Determine the unit value and the underreport factor (URF);
  - (2) For trees within a unit that are damaged by an insurable cause of loss, your loss will be determined by:
    - (i) Calculating the unit deductible;
    - (ii) Calculating the damage value for the current loss;
    - (iii) Totaling the damage value for each prior loss that occurred since the beginning of the crop year;
    - (iv) Totaling the results of section 13(a)(2)(ii) and (iii);
    - (v) Subtracting the results of section 13(a)(2)(i) from the results of section 13(a)(2)(iv);
    - (vi) If the result of section 13(a)(2)(v) is less than or equal to zero, no indemnity is due for this loss occurrence. If the result of section 13(a)(2)(v) is greater than zero, multiply the result by the URF and your share; and
    - (vii) Subtracting any previous indemnity for the current crop year from section 13(a)(2)(vi) to determine the indemnity owed as a result of the most recent insurable cause of loss.
  - (3) The total amount of indemnities payable on a unit during the crop year is limited to:
    - (i) The lesser of the amount of protection for the unit or the unit value;
    - (ii) Times your share.
- (b) Percent of damage for each stage-block in the stand of damaged trees will be determined as follows:
  - (1) For damage occurring during the year of set out:

- (i) Any tree with no live wood above the bud union will be considered destroyed (100 percent damaged); and
  - (ii) Any tree with live wood above the bud union will be considered undamaged.
- (2) For damage occurring in any year following the year of set out, or for buckhorned or topworked trees, damage occurring either during the year the trees are topworked or buckhorned or any year thereafter:
    - (i) Any tree considered destroyed (100 percent damaged) is a tree:
      - (A) That is dead;
      - (B) With no live wood above the bud union;
      - (C) That is toppled, and for which reset is not possible or the tree is missing; or
      - (D) With damage within one foot of the trunk for stage II and stage III trees;
    - (ii) Any tree considered fully (100 percent) damaged is a tree:
      - (A) Buckhorned or topworked tree with no live wood above the new growth points or above the graft unions;
      - (B) That the diameter of at least one damaged limb is at least three inches at the point of damage; or
      - (C) That is toppled and for which reset is possible; and
    - (iii) Any tree considered partially damaged (less than 100 percent damaged) is a tree:
      - (A) That the diameter of at least one damaged limb is at least one inch but less than three inches at the point of damage.
      - (B) The percent of damage for partially damaged trees will be equal to the number of partially damaged trees in the stage block divided by the total number of trees in the stage-block within a stand of damaged trees and multiplying the result by the applicable partial damage factor for the stage contained in the Special Provisions.
  - (c) The applicable percent damage for the crop year will not exceed 100 percent for any stage-block or portion of a stage-block within a stand of damaged trees.
  - (d) Any damage due to uninsured causes will not be included in the damage for the unit.
  - (e) Percent of damage will be determined the earlier of:
    - (1) Our determination of the total destruction of insured trees on the unit; or
    - (2) November 30 of the crop year unless the percent of damage cannot be determined and

in such cases it will be determined not later than twelve months after November 30 of the crop year in which the damage occurred.

**14. Late and Prevented Planting, and Written Agreements.**

The late and prevented planting and written agreement provisions of the Basic Provisions are not applicable.

**15. Occurrence Loss Option.**

(a) The provisions of this option are continuous and will be attached to and made a part of your insurance policy, if:

- (1) You elect the Occurrence Loss Option on or before November 1 and pay the additional premium indicated on the actuarial documents for this optional coverage; and
- (2) You have not elected coverage under the Catastrophic Risk Protection or Coverage Enhancement Option Endorsements.

(b) If you elect this option for a crop, all insurable trees of the crop within the county will be insured by this option.

(c) This option may be cancelled by either you or us for any succeeding crop year by giving written notice on or before the cancellation date preceding the crop year for which the cancellation of this option is to be effective.

(d) Your indemnity in the event of a loss will be determined as follows:

- (1) Calculate the unit value and the URF;
- (2) In lieu of section 13(a)(2) of these Crop Provisions, for trees within a unit that are damaged by an insurable cause of loss, and if the amount of insured damage is at least five percent of the unit value (unless otherwise specified in the Special Provisions), your loss will be determined by:
  - (i) Multiplying the unit value by 0.05;
  - (ii) Calculating the damage value;
  - (iii) Calculating the amount of insured damage;
  - (iv) If the amount of insured damage is:
    - (A) Equal to or greater than the result of 15(d)(2)(i), multiply the amount of insured damage by the URF then multiply this result by your share to determine your indemnity; or
    - (B) Less than the result of 15(d)(2)(i), no indemnity will be due.
- (3) The total percent damage to any stage-block or portion of a stage-block within a stand of damaged trees cannot exceed 100 percent for the crop year.
- (4) The total amount of indemnities payable on a unit during the crop year is limited to:
  - (i) The lesser of the amount of protection for the unit or the unit value;
  - (ii) Times your share.

**Example of Coverage and Premium**

Assume that a grove owner:

- Buys 75-percent coverage level (25-percent deductible).

- Insures two crops (units) under the policy: early orange trees and grapefruit trees.
- Reports the following numbers and types of trees: 600 early orange trees and 3,000 grapefruit trees.
- Reports one unit each for early orange and grapefruit trees and reports the actual stages as follows:
  - Early orange trees: 200 stage III; 200 stage II; 200 stage I.
  - Grapefruit trees: 1,400 stage III; 800 stage II; 800 stage I.

- Holds 100-percent interest in each crop unit.
- Is charged a premium rate of 5 percent for each crop.

FCIC's Addendum to the Special Provisions show the following tree reference prices:

- early orange trees: \$25/tree stage I; \$40/tree stage II; \$50/tree stage III
- grapefruit trees: \$25/tree stage I; \$40/tree stage II; \$50/tree stage III

The amount of protection provided by the policy for each crop unit will be calculated as follows:

- early orange trees:  $\$17,250 = [(200 \text{ trees} \times \$50 \text{ tree reference price}) + (200 \times \$40) + (200 \times \$25)] \times 75\text{-percent coverage level}$ ; and
- grapefruit trees:  $\$91,500 = [(1,400 \text{ trees} \times \$50 \text{ tree reference price}) + (800 \times \$40) + (800 \times \$25)] \times 75\text{-percent coverage level}$ .

The premium due on each insured crop is:

- early orange trees:  $\$863 = \$17,250 \text{ amount of protection} \times 100\text{-percent share} \times 5\text{-percent premium rate}$ ; and
- grapefruit trees:  $\$4,575 = \$91,500 \text{ amount of protection} \times 100\text{-percent share} \times 5\text{-percent premium rate}$ .

**Loss Example (with no previous claim):**

Now assume that wind damage in the grapefruit grove destroyed 700 stage III grapefruit trees. The unit value is determined to be the same as the amount of protection and the URF is 1.000. The indemnity will be calculated as follows:

- The number of trees destroyed because of wind is 700.
- The unit deductible is  $\$30,500 = [(1,400 \times \$50) + (800 \times \$40) + (800 \times \$25)] \times 25\text{-percent deductible}$ .
- The damage value is  $\$35,000 = 700 \times \$50 \text{ reference price} \times 100\text{-percent damage for destroyed trees}$ .
- The damage value for the crop year for this loss minus the unit deductible is  $\$4,500 = \$35,000 \text{ damage value} - \$30,500 \text{ unit deductible}$ .
- The preliminary indemnity multiplied by the URF and share is  $\$4,500 = \$4,500 \times 1.000 \times 1.000$ .
- The indemnity payable is \$4,500.

**Loss Example (with previous claim):**

Now assume that the remaining grapefruit trees have 35-percent damage to 700 stage III trees and 60-percent damage to 400 stage I trees due to freeze in January of the same crop year. The unit value is determined to be the same as the amount of protection and the URF is 1.000. The indemnity for freeze will be calculated as follows:

- The unit deductible is  $\$30,500 = [(1,400 \times \$50) + (800 \times \$40) + (800 \times \$25)] \times 25\text{-percent deductible}$ .

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- The damage value for the current loss is \$18,250 = [(700 x \$50 x 35-percent damage) + (400 x \$25 x 60-percent damage)].
- The total damage value for the crop year is \$53,250 = \$18,250 current damage value + \$35,000 damage value from previous loss.
- The total damage value for the crop year minus the unit deductible is \$22,750 = \$53,250 total damage value for the crop year - \$30,500 deductible.
- The preliminary indemnity for this occurrence is \$22,750 multiplied by the URF and share = \$22,750 x 1.000 x 1.000.
- Indemnity owed for this most recent cause of loss is \$18,250 = \$22,750 preliminary indemnity - \$4,500 previous indemnity.

The indemnity will be calculated as follows:

- Five percent of the unit value is \$4,575 = \$91,500 x 0.05.
- The damage value is \$20,000 = [(800 x \$50 x 35-percent damage) + (400 x \$25 x 60-percent damage)].
- The amount of insured damage is \$15,000 = \$20,000 x 75-percent coverage level.
- The amount of insured damage is more than five percent of the unit value (\$15,000 > \$4,575).
- Indemnity owed for the most recent cause of loss is \$15,000 = \$15,000 x 1.000 URF x 100-percent share.

### **Example of Coverage and Premium: Occurrence Loss Option**

Assume that a grove owner:

- Buys 75-percent coverage level (with 25-percent deductible).
- Insures two crops covered under the policy: early orange trees and grapefruit trees.
- Reports the following number of trees: 600 early orange trees and 3,000 grapefruit trees.
- Reports one unit each for early orange and grapefruit trees and reports the actual stages as follows:  
Early orange trees: 200 stage III; 200 stage II; 200 stage I.  
Grapefruit trees: 1,400 stage III; 800 stage II; 800 stage I.
- Holds 100-percent interest in all crops.
- Is charged a premium rate of 7 percent for each crop (base policy with Occurrence Loss Option rate).

FCIC's Addendum to the Special Provisions show the following tree reference prices:

- early orange trees: \$25/tree stage I; \$40/tree stage II; \$50/tree stage III.
- grapefruit trees: \$25/tree stage I; \$40/tree stage II; \$50/tree stage III.

The amount of protection provided by the policy for each crop will be calculated as follows:

- early orange trees: \$17,250 = [(200 trees x \$50 tree reference price) + (200 x \$40) + (200 x \$25)] x 75-percent coverage level; and
- grapefruit trees: \$91,500 = [(1,400 trees x \$50 tree reference price) + (800 x \$40) + (800 x \$25)] x 75-percent coverage level.

The premium due on each insured crop is:

- early orange trees: \$1,208 = \$17,250 amount of protection x 100-percent share x 7-percent premium rate; and
- grapefruit trees: \$6,405 = \$91,500 amount of protection x 100-percent share x 7-percent premium rate.

### **Loss Example with Occurrence Loss Option (with no previous claim):**

The grapefruit trees have 35-percent damage to 800 stage III trees and 60-percent damage to 400 stage I trees due to freeze in January. The unit value is determined to be the same as the amount of protection and the URF is 1.000.