

# Frequently Asked Questions: Nursery Crop Insurance Recordkeeping

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## **Accurate inventory records and supporting documentation protect your crop insurance interests**

Keeping detailed and accurate inventory records and supporting documentation (i.e., sales and purchase records, propagation records, etc.) ensures you are in compliance with the nursery crop insurance policy.

For other questions regarding recordkeeping, contact your crop insurance agent. See RMA's Agent Locator at <http://www.rma.usda.gov/apps/agents/>

## **Definitions**

**Crop Inventory Valuation Report (CIVR)** - a plant inventory list created on and printed from the Nursery Inventory Software that establishes the value of your insurable nursery plant inventory by plant type. These values are then reported by plant type on the Plant Inventory Value Report.

**Plant Inventory Value Report (PIVR)** - a document submitted by you to your Approved Insurance Provider (AIP) that declares the value of your insurable plants by plant type. Please see the PIVR in the Nursery Underwriting Guide at: <http://www.rma.usda.gov/handbooks/24000/2010/24090.pdf>

## **Q. How do I know if my nursery qualifies for crop insurance?**

A. Nursery crop insurance is available in all states to all persons operating nurseries and who grow and market nursery plants. At least 50 percent of the nursery's gross income must be derived from the wholesale marketing of plants. Your nursery must be inspected by your AIP and approved as acceptable before insurance coverage can begin.

You qualify for nursery crop insurance if you grow nursery plants that meet these requirements:

- Are on the Eligible Plant List on RMA's Web site at <http://www.rma.usda.gov>;
- Are grown in a county for which a premium rate is provided in the actuarial documents;
- Are irrigated unless otherwise provided by the Special Provisions of Insurance;
- Are grown in accordance with the production practices for which premium rates have been established;
- Are grown in an appropriate medium;
- Are not grown for sale as Christmas trees;
- Are not stock plants or plants being grown solely for the harvest of buds, flowers or greenery;

- May produce edible fruits or nuts provided the plants are made available for sale (harvest of the edible fruit or nuts does not affect insurability); and
- Are not produced in nursery containers containing two or more different genera, species, subspecies, varieties, or cultivars.

**Q. What documentation am I required to provide to obtain insurance coverage?**

A. To obtain insurance coverage, you are required to submit a PIVR, two copies of your wholesale catalog or price list, and a CIVR or a detailed plant inventory listing.

**Q. What are considered acceptable records and supporting documentation?**

A. You must be prepared to provide acceptable records and supporting documentation in support of the inventory values reported on your PIVR. Acceptable records and supporting documentation may include, but are not limited to:

- a) A detailed plant inventory listing that includes the name, the number, and the size of each plant;
- b) Acceptable records may also include:
  - i. Sales of plants (e.g., sales receipts) for the crop year;
  - ii. Purchases of plants (e.g., purchase receipts) for the crop year;
  - iii. Costs associated with propagation for the crop year, if you propagate plants (e.g., input costs and planting records);
  - iv. Evidence of your ability to properly obtain and maintain nursery stock.

**Q. Do I have to insure all my nursery plants in a county?**

A. No. There are two practices within the Nursery Crop Insurance Provisions: container grown and field grown. You may elect to insure only your container grown practice or only your field grown practice or both practices. However, you must insure all plants within each practice you elect to insure.

**Q. What unit structures are available under the Nursery Crop Insurance Provisions?**

A. The Nursery Crop Insurance Provisions only allow a basic unit structure. Basic units may be established by your share or they may be further divided into additional basic units by each insurable plant type depending on the level of coverage - additional level of coverage or Catastrophic (CAT) level of coverage - you elect. Optional units are not allowed.

If you elect an additional level of coverage for one or both of the practices (container grown or field grown), you can elect basic units by share or elect basic units within the practice by plant type. There are 15 plant types for container grown and 12 plant types for field grown. You may elect different coverage levels for each basic unit.

If you elect CAT level of coverage for one or both practices, each practice is limited to one basic unit. For example, if you insure your field grown practice and your container grown practice under the CAT level of coverage, you will have two basic units: one basic unit for your field grown practice and one basic unit for your container grown practice.

**Note:** You may insure your container grown plants under the additional level of coverage and field grown plants under the CAT level of coverage, or vice versa.

**Q. How long must I keep my inventory records and/or supporting documentation?**

A. All inventory records and supporting documentation must be retained for three years after the end of the crop year.

**Q. What will I be required to do if my insured nursery inventory has suffered damage due to an insured cause of loss?**

A. In the event your nursery inventory has suffered damage, you must submit a claim for indemnity to your AIP not later than 60 days after the date of loss, but in no event later than 60 days after the end of insurance period. Your AIP will require you to provide acceptable records and supporting documentation (please refer to the third question above for acceptable records and supporting documentation) at the time of loss to support the inventory values reported on your PIVR and CIVR or detailed plant inventory listing, whichever is applicable. You may also be asked to provide acceptable records and/or supporting documentation to verify your inventory value in the nursery immediately prior to the loss.