

United States
Department of
Agriculture



Federal Crop
Insurance
Corporation

Product
Development
Division

FCIC 24110 (09-00)

FLORIDA FRUIT TREE CROP INSURANCE UNDERWRITING GUIDE


Underwriting Guide for Establishing Coverage for Multiple
Peril Crop Insurance Crop Insurance Contracts
2001 and Succeeding Crop Years

**FLORIDA FRUIT TREE
CROP INSURANCE UNDERWRITING GUIDE**

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**U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250**

FEDERAL CROP INSURANCE CORPORATION		NUMBER: 24110
SUBJECT: FLORIDA FRUIT TREE CROP INSURANCE UNDERWRITING GUIDE 2001 AND SUCCEEDING CROP YEARS	DATE: September 15, 2000	
	OPI: Product Development Division	
	APPROVED:  Administrator, Risk Management Agency	

1. PURPOSE AND OBJECTIVE

To provide supplementary instructions for establishing fruit tree crop insurance coverage in accordance with the Florida Fruit Tree Pilot Crop Insurance Provisions (00-014 rev. 12-13-99) and the Florida Fruit Tree Loss Adjustment Handbook (FCIC-25570). Also, to assure the uniform administration of ACC coverage.

2. CANCELLATION

- A. Effective Date: Upon Approval.
- B. Replaces: R&D Informational Memorandums 99-054 (issued 11/2/99) and 99-054.1 (issued 11/29/99).

DISTRIBUTION: RMA Deputy Administrators, Directors, Washington D.C. and Kansas City; RMA Regional and Risk Compliance Offices; National Appeals Division (NAD); Reinsured Companies, and National Crop Insurance Services (NCIS).

3. DEFINITIONS

ACC - Asiatic Citrus Canker (ACC), a disease caused by the bacterium *Xanthomonas axonopodis pathovar citri* (Hasse) Dawson, which adversely affects citrus trees.

ACC Underwriting Certificate - A certification issued by USDA's Animal and Plant Health Inspection Service (APHIS) or Florida's Department of Plant Industry (DPI) which describes the status of citrus trees with respect to ACC, as provided in the Special Provisions.

APHIS - Animal and Plant Health Inspection Service, an agency of the United States Department of Agriculture, or a successor agency.

Crop Year - The period beginning November 21 and extending through November 20 of the following year, which is designated by the calendar year in which the period ends.

DPI - Department of Plant Industry (DPI), an agency of the Florida Department of Agriculture and Consumer Services, or a successor agency.

Public Order - Either an "Agreement to Destroy and Covenant Not to Sue" signed by the insured and by the DPI or an "Immediate Final Order" issued by DPI, both of which identify citrus trees infected by or exposed to ACC and order their destruction.

Quarantine Zone - An area immediately adjacent to infected or exposed citrus trees as identified by DPI or APHIS, from which the movement of fruit and plant material is regulated by APHIS or DPI.

Sales Closing Date - In lieu of the definition in section 1 of the Basic Provisions, there is no specific date by which applications must be filed. However, applications submitted after November 20 may affect the insured's eligibility for other farm program benefits. November 20 is the last date the insured may change the coverage level or amount of protection for the next crop year.

Share - In lieu of the definition in section 1 of the Basic Provisions, the insured's percentage of interest in the insured crop as owner or part owner by share at the time insurance attaches. However, only for the purpose of determining the amount of indemnity, the insured's share will not exceed the insured's share at the time of loss.

4. BACKGROUND INFORMATION

RMA implemented a Florida fruit tree pilot program for all citrus trees and selected tropical fruit trees beginning with the 1996 crop year in five Florida counties. This pilot program was structured to indemnify insureds for trees that were either damaged or destroyed by freeze, wind, or excess moisture during the insurance period. The pilot program's insurance coverage is based on a specified dollar amount of insurance per tree.

The pilot program was modified for the 2000 crop year to include infection by or exposure to Asiatic Citrus Canker (ACC) as an insurable cause of loss. In addition, Congress passed the Consolidated Appropriations Act (H.R. 3194) for Fiscal Year 2000, which permitted the expansion of the pilot program to include a total of 29 Florida citrus producing counties.

As of June 2000, Florida's DPI established and continues to enforce ACC quarantine zones in Broward, Collier, Dade, Hendry, Hillsborough, and Manatee counties. In response to DPIs quarantines, RMA issued R&D Informational Memorandums 99-054 and 99-054.1 that contained fruit tree insurance underwriting guidelines for establishing coverage in ACC quarantine counties.

5. UNDERWRITING CERTIFICATION REQUIREMENTS

A. General Information.

- (1) The Florida Fruit Tree Pilot Crop Provisions (00-014) provide crop insurance coverage against freeze, wind, excess moisture, and infection by or exposure to ACC (when the trees are removed pursuant to a public order in quarantine counties).
- (2) To obtain ACC coverage for citrus acreage in any county with an established quarantine zone, an acceptable ACC Underwriting Certification with a negative report from Florida's Division of Plant Industry (DPI) is required.
- (3) An acceptable ACC Underwriting Certification certifies that the citrus trees are not infected by or exposed to ACC.
- (4) The ACC certification must be submitted before ACC coverage can attach in such counties, but the attachment of coverage is automatic in all other counties without quarantine zones.
- (5) An ACC certification is also required for carryover policies that did not provide ACC coverage the previous crop year or as specified in section 6 B.
- (6) Carambola trees, which are not susceptible to ACC, do not require an ACC Underwriting Certification.

B. Availability of Insurance Coverage.

- (1) The Florida Fruit Tree Pilot Crop Insurance program is available in Brevard, Broward, Charlotte, Citrus, Collier, Dade, DeSoto, Glades, Hardee, Hendry, Hernando, Highlands, Hillsborough, Indian River, Lake, Lee, Manatee, Marion, Martin, Okeechobee, Orange, Osceola, Palm Beach, Pasco, Polk, Sarasota, Seminole, St. Lucie, and Volusia Counties.
- (2) As of June 2000, DPI had established and continues to enforce ACC quarantines in Collier, Broward, Dade, Hendry, Hillsborough, and Manatee counties. Additional counties may be designated by DPI and all subsequent ACC coverage determinations would be subject to the requirements contained in the crop provisions and these guidelines.
- (3) Coverage applies to all insured causes of loss listed in the crop provisions including ACC coverage in a program county:
 - (a) **That does not contain an established ACC quarantine zone** (an ACC certification is not required), and
 - (b) **That contains an established ACC quarantine zone** if an acceptable ACC Underwriting Certification with a negative report is submitted.
- (4) Coverage applies to all insured causes of loss **except** ACC coverage in a program county that contains an established quarantine zone and:
 - (a) An acceptable ACC Underwriting Certification is **not** submitted; or
 - (b) An acceptable ACC Underwriting Certification with a positive report is submitted.

NOTE: An ACC Underwriting Certification has a positive report if any trees are indicated to be infected by or exposed to ACC. Otherwise, the report is negative.

C. For Crops Within a Quarantine Zone.

- (A) If an acceptable ACC Underwriting Certification is submitted after the acreage report has been processed, a revised acreage report is required. ACC coverage will not take effect on any unit/section until a negative certification is submitted.
- (B) ACC coverage applies on a unit/section/share basis for each crop. If any citrus tree on a unit/section/share is certified ACC positive, the entire unit/section/share is ineligible for ACC coverage until control measures are carried out and the unit/section/share is recertified. Refer to the crop provisions for additional information on unit division guidelines. See examples below:

Example 1: An insured has one unit that contains two sections. DPI certifies one section as ACC positive, the other section is certified ACC negative. The acreage report will show one section with ACC coverage and the other section without ACC coverage.

Example 2: A situation similar to Example 1, but there are two units within one section. The acreage report would show one unit with ACC coverage, the other without ACC coverage.

6. COVERAGE INFORMATION

A. For the 2001 and succeeding crop years, when citrus trees are located in a county with a quarantine zone established by DPI, an acceptable ACC Underwriting Certification is required for:

- (1) All new policies; and
- (2) Carryover policies that did not have ACC coverage the prior crop year.

NOTE: An acceptable certification may require a DPI inspection. See subsection C (2) below.

B. Once ACC coverage has been provided on a policy, ACC coverage is automatic for succeeding crop years **unless**:

- (1) A coverage level is elected that is higher than the coverage level from the previous crop year, in which case all units or sections must be recertified;
- (2) There is a report of an increased share by the acreage reporting date, in which case all affected units or sections must be recertified; or
- (3) There is added land, if such addition causes the total amount of protection to increase by more than 10 percent. In this case only the unit or section with added land must be certified.

C. An ACC Underwriting Certification is acceptable if it is:

- (1) Submitted to the insurance provider no more than 30 days after the date of the certification. If this 30 day requirement is not met, a new certification is required before ACC coverage can attach (other coverage is unaffected).
- (2) Additionally, a DPI inspection must be performed within the time limits specified in the Special Provisions. For example, for the 2001 crop year, the Special Provisions state that:

<u>If the citrus trees are located in:</u>	Certification must be based on <u>an inspection performed within:</u>
A quarantine zone2 months of the certification date
A buffer zone6 months of the certification date
In a county with an established quarantine zone, but outside a quarantine or buffer zone	.12 months of the certification date. (No inspection is required for crops other than grapefruit.)

NOTE: No ACC Certification Inspection is required for grapefruit trees located in a county with no quarantine zone.

7. INSURANCE PROVIDER INFORMATION

A. Before initial ACC coverage attaches, the insurance provider’s responsibilities are as follows:

<u>If the:</u>	<u>The appropriate action is to:</u>
Citrus trees are certified to be infected or exposed to ACC	Deny ACC coverage. Request producer to submit a new certification from DPI once the ACC control measures are carried out, i.e., the infected and exposed citrus trees are destroyed.
Certification is more than 30 days old when submitted	Deny ACC coverage. Request producer to submit a new DPI certification.
Citrus trees are abandoned	Deny coverage. Citrus trees are uninsurable.
ACC infection or exposure determined by insurance provider within 30 day waiting period	Deny ACC coverage. Request producer to submit a new certification from DPI once the ACC control measures are carried out, i.e., the infected and exposed citrus trees are destroyed.

B. Acreage Reporting Requirements:

- (1) In the top half of the “Date Planted” column heading on the acreage report, enter by unit or section “ACC” to indicate ACC coverage is applicable. If ACC coverage is not applicable, make no entry.
- (2) In the lower half of the column block on the acreage report, enter the crop year indicating the crop year ACC coverage became effective.

NOTE: When a new certification is required for a policy or a unit/section (e.g., added land), replace the original crop year entry for the unit or section with the applicable crop year of the new certification. The ACC designation and date on the acreage report does not have to be entered at the time the insured is required to file the acreage report. The insurance provider underwriter may complete the ACC entries once the ACC insurability determination has been made.

C. Important Dates:

- (1) Contract Change Date: August 31, preceding the cancellation date.
- (2) Cancellation, Termination, and Sales Closing Dates: November 20, before the beginning of the crop year.

NOTE: For any policies sold after the sales closing date, the premium billing date will be the first day of the second month following the application date.

(3) Acreage Reporting Dates.

- (a) New insureds: Date the application is signed.
- (b) Carryover insureds: November 20.

NOTE: Replacement trees and trees set out on new acreage will require a revised acreage report to increase the amount of protection.

(4) Beginning of the Insurance Period Dates.

- (a) For counties with no ACC quarantine zone and for all insured causes except ACC coverage in counties with an ACC quarantine zone.

- (1) New insureds: Coverage begins on the 30th day after the insurance provider's local office receives the completed application, unless all or part of the trees are not insurable.
- (2) Carryover insureds: Coverage begins on November 21st of each crop year unless at renewal the insured: elects a higher coverage level, reports additional land or a greater share such that the amount of protection will increase by more than 10 percent, then coverage for the additional amount of protection begins on the later of November 21st or the 30th day after the insurance provider receives the insured's election or report, unless the insurance provider notifies the insured that all or part of the insured's trees are not insurable.

- (b) For ACC coverage in counties with an ACC quarantine zone.

New insureds and carryover insureds: The insured must submit a negative ACC Underwriting Certification to the insurance provider within 30 days of the issuance of said certification. ACC coverage does not attach until certification is received by the insurance provider.

- (5) End of the Insurance Period Dates: The end of the insurance period is the earlier of:
 - (a) November 20th of the crop year; or
 - (b) Upon the insurance provider’s determination of total destruction of the insured trees on the unit.

8. ADMINISTRATIVE INFORMATION

- A. The information and requirements applicable to the ACC Underwriting Certification may change from time to time. RMA will issue updated lists of ACC quarantine counties, forms, and instructions by bulletin and on its website, as required. Copies of the certification form can be downloaded from:

<http://www.rma.usda.gov/news/r-and-d/1999/>

- B. ACC Underwriting Certifications may be obtained by sending a request to DPI at the applicable county office listed below:

Dade and Broward Counties	Hendry and Collier Counties	Hillsborough and Manatee Counties
Citrus Canker Project Office Attention: Mr. Jim McKee 6901 Sunrise Blvd. Plantation, Florida 33313 Phone: (954) 797-6909 Fax: (954) 797-6950	Citrus Canker Project Office Attention: Mr. Jack Nietzke 424 E. Market Road, Unit #10 Immokalee, Florida 34142 Phone: (941) 658-3684 Fax: (941) 658-3692	Citrus Canker Project Office Attention: Mr. Ray Seitler 1003 17th Street, W. Palmetto, Florida 34221 Phone: (941) 721-6622 Fax: (941) 721-6636

EXHIBITS

EXHIBIT 1

**Asiatic Citrus Canker (ACC) Underwriting Certification
for the 2001 and Succeeding Crop Years**

PART I: APPLICANT/INSURED/AGENT INFORMATION (To be completed by applicant/insured or agent)

Instructions: Fill in information for items 1 through 17. Upon completion, Fax or mail to the appropriate Division of Plant Industry (DPI) office. Attach a plat map or aerial photograph of the crop location. Once the ACC Underwriting Certification has been returned by DPI, submit it to the insurance company through the crop insurance agent. (See back side of form for additional information.)

(1) Applicant/Insured Name:		(2) Applicant/Insured Telephone Number:		
(3) Applicant/Insured Representative:		(4) Applicant/Insured Fax Number:		
(5) Applicant/Insured Mailing Address:		(6) County:	(7) Policy Number:	
(8) Crop Insurance Agent:		(9) Agent Mailing		
(10) Agent Telephone Number:		(11) Agent Fax Number:		
(12) Return Certification To: Applicant/Insured <input type="checkbox"/> Agent <input type="checkbox"/> via: Fax <input type="checkbox"/> Mail <input type="checkbox"/>				

PART II: GROVE STATUS

(13) Section	(14) Twncshp	(15) Range	(16) Crop ¹	(17) Unit No.	(18) Grove Designation ²	(19) Insp. Req. Met? ³ Y, N, or NA	(20) Insp. Results ⁴ I, NI, or NA	(21) Abandoned Y or N	For Company Use Only ⁵

PART III: DIVISION OF PLANT INDUSTRY (DPI) INFORMATION (To be completed by DPI only)

Instructions: Complete items 18 - 21 in Part II above. Sign and date and return the completed and signed certification to the indicated person.

I certify that the information provided above is true and correct to the best of my knowledge.

Signature: Authorized Department of Plant Industry Representative	Title

EXHIBIT 1

Name- Printed

Date

NOTES:

1. Completed by Agent: **Crop** (item 16), enter applicable crop name: Grapefruit, lemons, oranges, limes, and all other citrus. Enter “oranges” if the crop acreage includes early, midseason, late, or navel oranges. Enter “all other citrus” if the crop acreage includes temple oranges, tangerines, tangelos, or murcotts.
2. Completed by DPI: **Grove Designation** (item 18), enter “Q” if the trees are located in a quarantine zone, “B” if the trees are located in a buffer zone, and “N” if the trees are located in neither a quarantine or a buffer zone.
3. Completed by DPI: **Insp. Req. Met** (item 19), enter “Y” or “N” to indicate if inspection requirements were met, or “NA” if not applicable. The requirements are:

<u>If the citrus trees are located in:</u>	<u>an inspection must have been performed within:</u>
A quarantine zone	2 months of the certification date
A buffer zone	6 months of the certification date
In a county with an established quarantine zone, but outside a quarantine or buffer zone	12 months of the certification date. (No inspection is required for crops other than grapefruit.)

4. Completed by DPI: **Insp. Results** (item 20), enter “NI” if the trees are not infected or exposed; enter “I” if the trees are infected or exposed; or “NA” if not applicable.
 5. For Company Use Only: May be used by company underwriters to designate acreage as eligible or ineligible for ACC coverage.
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EXHIBIT 2

Continuation Sheet

Applicant/Insured Name: _____

County: _____

Policy Number: _____

Date: _____

(13) Section	(14) Township	(15) Range	(16) Crop ¹	(17) Unit No.	(18) Grove Designation ²	(19) Insp. Req. Met? ³ Y, N, or NA	(20) Insp. Results ⁴ I, NI, or NA	(21) Abandoned Y or N	For Company Use Only ⁵

EXHIBIT 2

(13) Section	(14) Twnshp	(15) Range	(16) Crop ¹	(17) Unit No.	(18) Grove Designation ²	(19) Insp. Req. Met? ³ Y, N, or NA	(20) Insp. Results ⁴ I, NI, or NA	(21) Abandoned Y or N	For Company Use Only ⁵

EXHIBIT 3

Page ____ of ____

GROVE LOCATION PLAT MAP

(Name of Insured or Applicant) (County) (Policy Number)

Crop: _____ Unit No.: _____

Legal Description: Township: _____ Range: _____

Section: _____

Section: _____

Section: _____

Section: _____

Comments:

EXHIBIT 3

Section: _____

Section: _____

Section: _____

Section: _____

Section: _____

Section: _____
