size shown on your wholesale price list, less the maximum discount granted to any buyer; (2) Adding the results of step 1, for each

month;

(3) Multiplying the highest monthly market value for the crop year by the percentage for the coverage level you have elected;

(4) Multiplying the product obtained in (3) above by the appropriate premium rate for each appropriate plant classification listed on the actuarial table; and

(5) Multiplying the product obtained in (4) above by your share.

(b) The annual premium will be earned in full when insurance attaches. It is due and payable as follows:

(1) Forty percent (40%) on the later of September 30 preceding each crop year or the date we accept the inventory for insurance;

(2) Thirty percent (30%) on January 1 of the crop year; and

(3) Thirty percent (30%) on April 1 of the crop year.

(c) Additional premium earned from an increase in the nursery plant inventory summary is due and payable when the revised nursery plant inventory summary is approved by us.

(d) Premium will not be reduced due to a decrease in the nursery plant inventory summary, unless such decrease results from the deletion of uninsurable inventory from the summary that was erroneously reported as insurable.

## 8. Insured Plants

(a) In lieu of the provisions of section 8 (Insured Crop) of the Basic Provisions (§ 457.8), the insured nursery plant inventory will be all nursery plants in the county reported by you or determined by us for which an application is accepted, for which a premium rate is provided by the actuarial table, and that:

(1) Are grown under an irrigated practice for which you have adequate facilities and water at the time coverage begins in order to carry out a good irrigation practice;

(2) Are classified as woody, herbaceous, or foliage landscape plants;

(3) Do not include plants that produce edible berries, fruits or nuts;

(4) Are grown in standard nursery containers (not planted in the ground), at least three (3) inches across the smallest dimension unless a written agreement is extended allowing a smaller container;

(5) Are initially inspected by us and determined to be acceptable;

(6) Are listed on the Nursery Eligible Plant Listing unless a written agreement provides otherwise;

(7) Are not stock plants;

(8) Are grown in accordance with the production practices for which premium rates have been established; and

(9) Meet the "mandatory" or

"recommended" storage requirements unless you have signed the Frost, Freeze, and Cold Damage Exclusion Option for those nursery plants.

(b) The provisions of section 9 of the Basic Provisions (§ 457.8) are not applicable to the Nursery Crop Provisions.

## 9. Insurance Period

In lieu of the provisions of section 11 (Insurance Period) of the Basic Provisions (§ 457.8), coverage begins on each unit or part of a unit the later of October 1 or the date we accept the inventory for insurance, provided at least 40 percent (40%) of the annual premium is paid by the date specified in paragraph 7.(b)(1). Coverage will not attach for plant inventory added due to a revised nursery plant inventory summary until any additional premium is paid in full. Insurance ends for each unit at the earliest of:

(a) The date all plant inventory within the unit is sold or otherwise removed unless that inventory is replaced and additional earned premium is paid. (If a portion of the plants are sold or otherwise removed from inventory and are not replaced, insurance ends only on that part of the unit.);

(b) The date of final adjustment of the loss on the unit; or

(c) September 30 of the crop year.

## 10. Causes of Loss

(a) In accordance with the provisions of section 12 (Causes of Loss) of the Basic Provisions (§ 457.8), insurance is provided for unavoidable damage caused only by the following causes of loss which occur within the insurance period:

(1) Adverse weather conditions;

(2) Fire;

(3) Insects, but not damage due to insufficient or improper application of pest control measures;

(4) Plant disease, but not damage due to insufficient or improper application of disease control measures;

(5) Wildlife;

(6) Earthquake;

(7) Volcanic eruption;

(8) Failure of the irrigation water supply, due to an unavoidable cause of loss occurring within the insurance period; or

(9) Failure or breakdown of frost/freeze protection equipment or facilities due to direct damage to such equipment or facilities from an insurable cause of loss, provided the insured nursery plants are damaged by freezing temperatures within 72 hours after the failure of such equipment or facilities and repair or replacement was not possible between the time of failure or breakdown and the time the freezing temperatures occurred.

(b) In addition to the causes of loss not insured against under section 12 (Causes of Loss) of the Basic Provisions (§ 457.8), we do not insure against any loss caused by: (1) Brownout:

(1) Brownout;

(2) Failure of the power supply unless such failure is due to an insurable cause of loss;

(3) The inability to market the nursery plants as a direct result of quarantine, boycott, or refusal of a buyer to accept production;

(4) Fire, where weeds and other forms of undergrowth in the vicinity of the building and on your property have not been controlled; or

(5) Collapse or failure of buildings or structures unless due to an insured cause of loss.

11. Duties in the Event of Damage or Loss

(a) In addition to your duties contained under section 14 (Duties in the Event of Damage or Loss) of the Basic Provisions (§ 457.8), you must: (1) Obtain our written consent prior to:(i) Destroying, selling or otherwise disposing of any plant inventory that is damaged; or

(ii) Changing or discontinuing your normal growing practices with respect to care and maintenance of the insured plant inventory.

(2) Upon our request, provide complete copies of your nursery plant inventory wholesale price list for the 12 month period immediately preceding the loss and your marketing records including plant shipping invoices for the same period.

(b) In addition to subsection 14.(c) of the Basic Provisions (§ 457.8), you must submit a claim for indemnity to us on our form, not later than 60 days after the earliest of:

(1) Your loss; or

(2) The end of the insurance period.

12. Settlement of Claim

(a) The indemnity will be the amount calculated by us for each unit as follows:

(1) Subtracting field market value B from the lesser of field market value A or the highest monthly market value for the unit reported on the nursery plant inventory summary to determine the total amount of loss;

(2) Subtracting therefrom the monthly loss deductible (not to exceed the remaining annual loss deductible); and

(3) Multiplying the result of (2) above by your share.

(b) Individual insured losses occurring on the same unit during the crop year may be accumulated if each loss is reported and valued by us to satisfy the annual loss deductible. Paragraph 12.(a)(2) will not apply to any subsequent individual loss determinations when the total amount of accumulated monthly loss deductibles is equal to or greater than the annual loss deductible. Total indemnities for a unit will not exceed the amount of insurance for the unit.

(c) The value of any insured plant inventory may be determined on the basis of our appraisals conducted after the end of the insurance period.

## §457.115 Nursery Frost, Freeze, and Cold Damage Exclusion Option.

This is not a continuous option. Application for this option must be made on or before the sales closing date for each crop year this Option is to be in effect (see exception in item 2 below).

Insured's Name \_\_\_\_\_\_ Address \_\_\_\_\_ Contract Number \_\_\_\_\_ Identification Number \_\_\_\_\_ SSN/EIN \_\_\_\_\_ Tax I.D. \_\_\_\_ Crop Year \_\_\_\_\_ Unit Number \_\_\_\_\_ Hardiness Zone

For the crop year designated above, the Nursery Crop Provisions (§ 457.114) are amended in accordance with the following terms and conditions:

1. You must have the Common Crop Insurance Policy Basic Provisions and Nursery Crop Provisions in force.

2. This option must be submitted to us on or before the final date for