

FLORIDA CITRUS FRUIT APH PROGRAM Q & A

1. How does a grower with the dollar plan elect APH on November 1st if the dollar plan renewal date (and cancellation date) is April 15th, 2021?

The Dollar Amount of Insurance (Dollar) plan covers the 2021 crop with coverage ending from 2/7/21 to 6/30/21, depending on the commodity insured. If the insured elects the Florida Citrus Fruit (FCF) Actual Production History (APH) plan on November 1, 2020, the APH plan covers the 2022 crop beginning December 1, 2020 with coverage ending sometime from 2/7/22 to 6/30/22, depending on the commodity insured. There is no overlap in coverage as the different plans cover two separate crop years.

2. Must a grower formally cancel with dollar plan coverage prior to electing APH coverage if no gap in coverage is the goal?

No, they cover different crop years. Standard practice is to cancel the Dollar policy by the April 15, 2021 cancellation date. Any damage to the 2021 crop including maturing fruit remaining on the tree for the remainder of 2021 insurance period for each applicable commodity would be covered under the 2021 Dollar policy. APH policy coverage would begin on December 1, 2022 for the 2022 crop year and would provide coverage for damage impacting the 2021 bloom and developing and maturing fruit during the 2021 calendar year and extending until the end of the 2022 insurance period, which will fall in the 2022 calendar year. Accordingly, continuous coverage is provided for the insured crop.

3. Will HIP-WI be an option for the APH plan of coverage THIS year?

The FCF APH policy does not contain any provisions that exclude or limit the availability of HIP-WI coverage for the APH program. If the Hurricane Insurance Protection Wind – Index (HIP-WI) program provides coverage in conjunction with the FCF APH program, RMA could make HIP-WI coverage available.

4. Will growers be considered a new insured under the APH program even when having dollar plan as their current plan?

No, a new insured is defined as a person who was not insured the previous crop year without respect to the Approved Insurance Provider (AIP) or plan of insurance.

5. Considering the answer to Question 4, will an inspection be REQUIRED if an inspection was completed prior to this year's dollar plan program?

No, based on section 9 of the policy and paragraph 35 of the CISH, unless the person is a new insured or they have performed cultural practices that would reduce the crop's production from previous levels, there is no stated inspection requirement. Given the statement that "*coverage begins on December 1 of each crop year, unless we inspect the acreage and notify you it does not meet the requirements for insurability contained in your*

policy”, it would be at the AIP’s discretion if a Perennial Crop Pre-Acceptance Inspection Report (PAIR) is warranted.

6. If Agent A with AIP A sells the Dollar Citrus policy to a grower, may Agent B with AIP B sell the APH plan of citrus to the SAME grower due to the unique switch in plan mid-year?

Two different Florida Citrus Fruit policies may be in effect **but not for the same crop year**. For example, the Dollar policy with Agent A could apply to the 2021 crop year and the APH policy with Agent B could apply to the 2022 crop year. The Dollar policy with Agent A must be cancelled by the applicable cancellation date for the Dollar policy prior to the beginning of the 2022 crop year as defined in the Dollar policy.

7. Do "new" policies have the 60-day deadline for an inspection similar to dollar plan?

When a Pre-Acceptance Inspection Report (PAIR) is required, the PAIR must be completed within 60 calendar days after the Production Reporting Date in accordance with Para. 1840 of the Crop Insurance Handbook (CIH).

8. Can you explain the early billing date on this product (8/15)? This seems to be a bit of a deterrent, since the growers will not have funds from harvest of the crop. This is a rather large divergence from the typical billing cycle of other crops.

The Florida Citrus APH billing date aligns with the billing date provided for citrus in Arizona, California and Texas.

9. How many years of production is required the initial year of applying for this program?

There are no minimum years of production records; however, failure to provide production reports may result in less than 100% of the county T-Yield in accordance with Variable T-Yield procedures (CIH 1856).

10. Would acreage have coverage if no production records are provided?

Yes, subject to meeting applicable insurability requirements. Refer to question #9.

11. If more than 30% of the trees within a grove are uninsurable, how do we deal with the yields and APH?

If production for uninsurable and insurable acreage is not commingled, the uninsurable production (and acreage) must be reported on the Production Report but will not be included in the APH database (CIH 1305B).

If production from insurable and uninsurable acreage is commingled, the total production acreage (both insurable and uninsurable) are reported on the Production Report and included in the APH database (CIH 1304C). **Note** – different procedures apply for indemnity calculation purposes and commingling insurable and uninsurable production could result in a reduced or zero indemnity.

Production from uninsurable acreage not meeting minimum age requirements does not apply to 1 and 2-year old trees for the purpose of commingled production determinations

as such acreage is not considered to have harvestable fruit production. The insured must certify on the Pre-Acceptance Worksheet (PAW) that production from underage trees was not harvested and commingled with fruit production from insurable acreage (Florida Citrus Fruit Crop Insurance Handbook Paragraph 35).

12. Why are tree and fruit on different SCD's?

The FL Citrus Fruit APH policy insurance period covers the fruit from bloom to harvest and therefore requires a Sales Closing Date (SCD) prior to the risk period. The risk period for the tree policy precedes the beginning of hurricane season and the SCD is set accordingly.

13. If a grower signs up for the new APH plan by this November and reports their acreage, coverage is for their 2021/2022 harvest (2022CY). If they push, sell, or otherwise deem any of their acreage uninsurable before their 2021/22 harvest, can this acreage be removed, and premium be adjusted? If yes, how does that happen?

The insured crop is all acreage of each citrus fruit group the insured elects to insure in the county and in which they have a share at the time insurance attaches.

- (a) If the insured relinquishes their share on or before the acreage reporting date for the crop year, insurance will not be considered to have attached and no premium will be due and no indemnity will be paid unless a Transfer of Coverage and Right to Indemnity is in effect [9(b)(2) of the Florida Citrus Fruit APH Crop Provisions].
- (b) If the insured relinquishes their share after the acreage reporting date, insurance attaches and premium is due; however, **only for the purpose of determining the amount of the indemnity**, the insured's share cannot exceed their share at the earlier of the time the loss occurred or the beginning of harvest (Basic Provisions Section 1 definition of share).
- (c) The insured must obtain consent from the Approved Insurance Provider (AIP) prior to destroying the unharvested crop, putting the insured crop to an alternative use, putting the acreage to another use, or abandoning any portion of the crop and must notify the AIP following completion in accordance with paragraph 14(d) of the Basic Provisions. The AIP will conduct an appraisal to determine production for APH and claim purposes.

14. How does Enterprise Units work if they sale a grove mid-year? Push up trees?

Eligibility for enterprise units is based upon the information provided on the Acreage Report.

15. The Special Provisions states the minimum insurable age (leaf year) of the trees is 3 years old. However, under the T-Yield tab in the actuarial documents, the T-Yields are broken out by age, from 3 years old to 12 years old. We have not seen verbiage on when to combine, or break out, blocks of grove that have different ages of trees. For example, a grove may have 70% mature (or greater than 12 years old) trees, along with some 8-year old, some 6-year

old, and some 4-year old trees. We are looking for the underwriting guidelines on how we would age this particular block or grove.

When T-yields are required to complete a database, a weighted average T-Yield will be determined in accordance with FCIC procedures (CIH 1859).

16. If an insured sells a grove or pushes up trees mid-year, say March how does that effect the APH?

The insured must report all production from the previous crop year in which they received a share (CIH 1301A). If acreage is sold mid-year and the insured did not receive a share of the production from the acreage, no production is reported for the acreage.

Refer to item (c) in question 13 regarding pushing up a grove mid-year.

17. If the APH database does not have 4 years of actual or assigned yields, do we use the % of the T-Yield based on the number of years of yields in each particular database rather than the number of yields of the crop in the county?

The T-Yield percentage is determined by the number of actual/assigned yields certified for the crop in the county, not at the database level [CIH 1856B(1)]. However, the variable T-Yield percentage for New Producers or added land for carryover insureds is dependent on the number of actual yields in the APH database and does not increase with the addition of actual yields in subsequent years (CIH 1861C).

18. If Yield Exclusion is available and elected, and the years excluded drop the number of actual yields below 4, is the % of the T-Yield based on the number of yields in the individual database used to complete the APH and compute an average?

If the exclusion of actual yields results in less than 4 years being used in the APH database, the applicable T-Yield is used. If the variable T-yield applies, the excluded yield years count as a year of producing the crop [CIH 1548(6)].

19. As trees are replaced in a grove, we will end up with some new uninsurable trees mixed in the block. Is it correct that if the % of uninsurable trees do not exceed 20%, we will not need to request a RO determined yield nor reduce the acres? Because the production will be commingled, is it correct to include the total acres in the block and total production in the APH. If a new grove is planted, of course the trees would remain uninsurable until they reach 3 years.

Insurable acreage must be reduced when a significant decrease in original plant stand occurs due to damaged or removed trees (i.e. reduction affects the production potential and is equal to or greater than 20% of the original planting pattern) and for uninsurable acreage, e.g. underage trees (CIH 1810A). Acreage reduction in groves in which the original planting pattern has changed due to replanting trees in a higher density will be determined in accordance with Exhibit 20E of the Crop Insurance Handbook.

Refer to question #11 regarding production reporting in subsequent years.

20. When the grower is self-certifying records, what specific documents should the grower use to provide the box counts for the APH policy? Is there a standard record format or type of record that we should advise the grower to utilize during this first, important year to organize a standard for policy review if and when the claim exceeds \$200,000?

Florida Citrus Fruit is included in the list of crops that require verifiable records for production reporting purposes. The requirements for verifiable records are provided in the Section 2 of Part 14 of the CIH.