

Citrus Crop Insurance Guide

Presented by Valley Wide Ag Insurance Services, Inc.

Citrus crop insurance can protect your operation when disaster strikes. This policy will cover Grapefruit, Lemons, Mandarins, Minneola Tangelos, Navel Oranges, Orlando Tangelos, Sweet Oranges and Valencia Oranges against the unavoidable loss of production from an insurable cause of loss occurring during the insurance period. Indemnities are paid when the total fresh packed production is below the policy guarantee.

Insurability Requirements

- The orchard must be irrigated
- Acreage must be at least six years old.
- Sale of the insured crop directly to consumers without the intervention of an intermediary such as a wholesaler, retailer, packer, processor, shipper or buyer is only allowed with prior company agreement.

Covered Causes of Loss

Adverse weather	Fire*	Plant Disease*	Failure of Irrigation water supply*
Insect Infestation*	Earthquake	Wildlife*	Volcanic eruption

* Limitations apply

Excluded Causes of Loss

Quarantine Boycott.

Upcomming Time Line of Events

Event	Date to be completed by	Notes
Policy purchase and renewal	November 20, 2008	Application and Renewal completed Annually
Production Reporting	January 10, 2009	Report all fresh packed cartons plus any appraisals.
Acreage Reporting	January 10, 2009	Must report insurable and uninsurable acreage
Insurance Period	November 21, 2008 through November 20, 2010	
Premium Due	September 15, 2009	

Selecting Coverage & Policy Options

Your policies liability and loss inception point are effected by the coverage level you select, your actual production history (APH) and the unit structure you select. Each insured can select one coverage level for each type of citrus crop insured (Lemon, Navel, Valencia) per county. The APH is based on the number of years of actual production history supplied, you can supply up to ten years of production history. Unit structure determines how insurable acreage is grouped for loss settlement. Basic unit structure groups cash leased and owned acreage into one unit. Any acreage farmed under a crop share agreement is grouped into a separate basic unit by share holder. If you elect optional units large basic units are sub divided into smaller optional units by Non-contiguous land and farming practice (Organic & Transitional or Conventional).

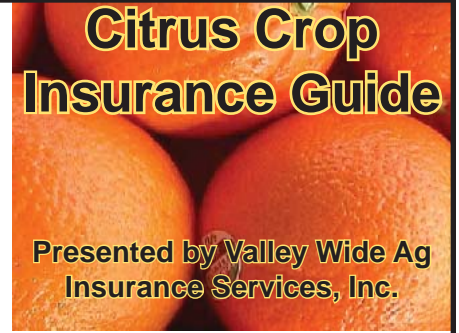
Guide of Citrus Crop Insurance Coverage Options

Basic Plan Type	CAT	Buy Up
Coverage Levels	CAT	50%, 55%, 60%, 65%, 70% , 75%
Unit Structure	Basic	Basic or Optional
Policy Options	OC, OT and YA	BU, HFE, OC, OT, OU, FR and YA

Description of Coverage Options

- **Basic Unit Discount (BU)** - 10% discount for not electing optional units.

- **Hail & Fire Exclusion (HFE)** - Premium discount for excluding hail and fire as an insured causes of loss.
- **Organic (OC / OT)** - Provides coverage for organic acreage and provides optional unit structure if buy up is purchased.
- **Optional Unit Structure (OU)** - Allows Buy Up policy holders to subdivide basic units into optional units.
- **With Frost Protection (FR)** - A premium discount is available on acreage adequately protected by frost protection equipment including;
 - 40 serviceable heaters per acre.
 - Wind machines that provide a minimum of 5 propeller horsepower per acre, regardless of horsepower, one wind machine can service no more than ten acres.
 - Solid set sprinklers or foggers supplied by well water. If all acreage of the grove cannot be simultaneously protected with well water, only the acreage that can be protected will be considered with frost protection.
- **Yield Adjustment (YA)** - Allows insureds to substitute 60 percent of the applicable T-Yield for actual yields that are less than 60 percent of the applicable TYield to mitigate the effect of catastrophic year.



Actual Production History Calculation Example

Unit Structure: Optional		Policy Options: YA		T-Yield: 550		Price Election: \$6.00	
Field: Westside Ranch				Field: Home Ranch			
Year	Production To Count	Acres	Production Per Acre	Production To Count	Acres	Production Per Acre	
1	5,600 Cartons	10.0	560	25,600 Cartons	40.0	640	
2	6,000 Cartons	10.0	600	22,400 Cartons	40.0	560	
3	7,200 Cartons	10.0	720	27,200 Cartons	40.0	680	
4	1,300 Cartons	10.0	330 YA	300 Cartons	40.0	330 YA	
5	6,500 Cartons	10.0	650	26,700 Cartons	40.0	668	
Average Production Per Acre (APH)			572	Average Production Per Acre (APH)			576

Acres - Total acreage of the unit harvested.

Production To Count - All harvested production marketed as fresh packed fruit and citrus disposed of or sold without an inspection. Citrus that cannot be marketed as fresh packed fruit due to insurable causes will not be considered production to count.

Production Per Acre - Production to count divided by Acres.

Citrus Crop Insurance Loss Example

Claims are settled on a unit basis, the unit guarantee is based on your average production history per acre, coverage level and acres insured. This policy will pay an indemnity when the unit guarantee is greater than your production to count. The total production to count is the sum of all citrus harvested and marketed as fresh packed fruit plus any appraisal.

Westside Ranch (Navel Oranges)

Acres: 10

Production To Count: 6,200 Cartons

Property is owned by insured



Home Ranch (Navel Oranges)

Acres: 40

Production To Count: 2000 Cartons

Property is owned by insured

Loss Example with 70% Coverage Level and Optional Units

Item	How it's calculated	Unit 1 (Westside Ranch)	Unit 2 (Home Ranch)
<i>Unit Guarantee</i>	Actual production history times coverage level times insured acres.	4,000 Cartons	16,120 Cartons
		(572 x 70% x 10 = 4,000)	(576 x 70% x 40 = 16,120)
<i>Total Production To Count</i>	Harvested production marketed as fresh packed fruit plus any appraisal.	6,200	2,000
		(6,200 + 0 = 6,200)	(2,000 + 0 = 2,000)
<i>Indemnity Due</i>	Total unit guarantee minus total production to count times price election times insured share equals indemnity.	\$0	\$84,720
		Production to count exceeded unit guarantee, no indemnity due.	(16,120 - 2,000 x \$6.00 = \$84,720)

Loss Example with CAT Coverage Level and Basic Units

Item	How it's calculated	Unit 1 (Home and Westside Ranch)
<i>Unit Guarantee</i>	Actual production history times coverage level times insured acres.	14,400
		(576 x 50% x 50 = 14,400)
<i>Total Production To Count</i>	Harvested production marketed as fresh packed fruit plus any appraisal.	8,200
		(8,200 + 0 = 8,200)
<i>Indemnity Due</i>	Total unit guarantee minus total production to count times price election times insured share equals indemnity.	\$37,200
		(14,400 - 8,200 x \$6.00 = \$37,200)

This handout contains generalized descriptions of available insurance coverage and is not intended as an offer to issue the described insurance. Issuance of any policy of insurance described in this brochure is subject to satisfying underwriting criteria filed with the insurance department of the applicable jurisdiction. The coverage afforded is subject to the terms, conditions and exclusions stated in the actual policy as issued and may vary from the general coverage descriptions in this brochure.