

# Controlled Environment Frequently Asked Questions

September 2023

Controlled Environment (CE) is a pilot crop insurance program that functions as an asset-based form of insurance coverage. It provides coverage for CE plants impacted by a **disease or contamination and that are under Federal or State destruction orders.**

- **Where is CE available?**

State	County	State	County	State	County	State	County
Alabama	Autauga	Florida	Levy	Michigan	Monroe	Pennsylvania	Chester
Alabama	Baldwin	Florida	Manatee	Michigan	Muskegon	Pennsylvania	Lancaster
Alabama	Mobile	Florida	Marion	Michigan	Ottawa	Tennessee	Cannon
California	San Bernardino	Florida	Martin	Michigan	Washtenaw	Tennessee	Coffee
California	Santa Barbara	Florida	Miami-Dade	Michigan	Wayne	Tennessee	De Kalb
Colorado	Adams	Florida	Okeechobee	Minnesota	Dakota	Tennessee	Franklin
Colorado	Arapahoe	Florida	Orange	Minnesota	Hennepin	Tennessee	Grundy
Colorado	Douglas	Florida	Palm Beach	Minnesota	Ramsey	Tennessee	Warren
Colorado	Larimer	Florida	Pasco	Minnesota	Steele	Texas	Brazoria
Colorado	Weld	Florida	Polk	Minnesota	Washington	Texas	Fannin
Delaware	New Castle	Florida	Santa Rosa	New York	Erie	Texas	Harris
Florida	Alachua	Florida	Sarasota	New York	Suffolk	Texas	Henderson
Florida	Broward	Florida	Seminole	New Jersey	Atlantic	Texas	Jeff Davis
Florida	Calhoun	Florida	St Lucie	New Jersey	Cape May	Texas	Presidio
Florida	Charlotte	Florida	Sumter	New Jersey	Cumberland	Texas	Smith
Florida	Citrus	Florida	Suwannee	New Jersey	Gloucester	Texas	Van Zandt
Florida	Collier	Florida	Volusia	North Carolina	Buncombe	Texas	Waller
Florida	Columbia	Hawaii	Hawaii	Ohio	Cuyahoga	Texas	Ward
Florida	De Soto	Iowa	Cerro Gordo	Ohio	Erie	Texas	Wharton
Florida	Escambia	Iowa	Howard	Ohio	Franklin	Texas	Wood
Florida	Flagler	Kentucky	Madison	Ohio	Fulton	Utah	Juab
Florida	Gadsden	Kentucky	Pulaski	Ohio	Lake	Virginia	Fauquier
Florida	Glades	Kentucky	Rowan	Ohio	Lorain	Virginia	Rockingham
Florida	Hardy	Maine	Somerset	Ohio	Lucas	Washington	Benton
Florida	Henry	Maryland	Cecil	Oregon	Clackamas	Washington	Franklin
Florida	Highlands	Michigan	Allegan	Oregon	Linn	Washington	Grant
Florida	Hillsborough	Michigan	Berrien	Oregon	Marion	Washington	Yakima
Florida	Jefferson	Michigan	Branch	Oregon	Multnomah	West Virginia	Mercer
Florida	Lafayette	Michigan	Genesee	Oregon	Polk	West Virginia	Upshur
Florida	Lake	Michigan	Kalamazoo	Oregon	Washington	Wisconsin	Kenosha
Florida	Lee	Michigan	Kent	Oregon	Yamhill	Wisconsin	Washington
Florida	Leon	Michigan	Macomb	Pennsylvania	Berks		

- **What is a controlled environment?**

A controlled environment is a technology-based approach to production that:

- Uses fully-enclosed structures throughout the entirety of the crop year to produce specific crops with the aim of providing protection and maintaining optimal growing conditions throughout the development of the plants; and
- Grows plants and derives at least 40 percent of its gross income from the wholesale marketing of such plants.

- **Can I insure a specific plant under CE and Nursery Value Select (NVS) or Nursery Field Grown and Container (FG&C) for the same crop year in the same county?**

Yes. You may insure a specific plant under a CE policy and under a Nursery Value Select or Nursery (Field Grown & Container) policy, unless restricted by the Special Provisions. However, the policies must be insured with the same insurance company and you cannot receive an indemnity on the same specific plant under more than one policy.

- **What documentation do I need to provide to my crop insurance agent to obtain CE insurance?**

You must submit the following:

- Crop insurance application;
- Controlled Environment Value Report (CEVR) for each insured plant production practice.
  - The CEVR is a document that represents your declaration of the insurance choices you elect.
- Monthly Unit Value Report (MUVP) for each insured basic unit.
  - The MUVP is a document that represents your declaration for each basic unit by:
    - Month, from the first month to the last month of the insurance period; and
    - By the maximum value of all specific plants in each insured plant category that you expect to have in your nursery (during each month of the insurance period.)
- Submit two printed copies or one electronic copy of the most recent catalog or price list, by season or plant category, if appropriate.
- A copy of your biosecurity self-certification.

All documents must be acceptable and must be submitted on or before the sales closing date, except the MUVP\*, for insurance to attach on the first day of the insurance period.

\*If you are a carryover insured, you may certify on your CEVR in subsequent years that there were no material changes to your previously submitted MUVP and, therefore, an updated MUVP would not be required to be submitted.

- **What is the deadline to submit the required documentation?**

For insurance to attach on the start date of the crop year, all documentation must be submitted on or before the sales closing date for your county.

- For new and first-year insureds, if you're applying for coverage after the sales closing date:
  - Insurance does not attach until the 31st day (30-day waiting period) after acceptable documents are filed; and
  - Premium is owed from the first day of the month insurance attaches until the end of the insurance period.
- For carryover insureds, all documentation must be submitted on or before the sales closing date to have coverage for the upcoming crop year.

- **What unit structures are available under CE?**

Basic units are the only unit structure available under CE. For catastrophic level of coverage, a basic unit consists of the following:

- All insurable plants and all insurable plant categories in each plant production practice that you elect to insure.

For additional levels of coverage, a basic unit consists of the following:

- All insurable plants in each plant category you elect to insure under each insured plant production practice.

An administrative fee is due for each insured plant category if additional coverage is elected, and for each insured plant production practice if CAT coverage is elected.

- **Must I insure all my plants under CE?**

No. Whether you have the catastrophic level of coverage or additional levels of coverage, CE allows you to insure one or more plant production practices. Moreover, for additional levels of coverage only, CE allows you to choose which plant categories within the insured plant production practice you wish to insure. The plant categories may be insured at different coverage levels. Once you have selected the plant categories you wish to insure, all plants within those plant categories must be insured.

- **What is the insured crop?**

The insured crop will be all specific plants grown in a CE within each insured plant production practice for CAT level of coverage, and each plant category you choose to insure within each insured plant production practice for additional level of coverage and that:

- You have an insurable share;
- Are specific plants determined by the approved insurance provider (AIP) to be acceptable;
- Are grown in a county for which a premium rate is provided in the actuarial documents;
- Are grown in a CE determined by the AIP to be acceptable;
- Are irrigated unless otherwise provided by the Special Provisions (you must have adequate irrigation equipment and water to irrigate all insurable plants at the time coverage attaches and throughout the insurance period);
- Are grown in accordance with the plant production practices for which premium rates have been established;
- Are grown in an appropriate medium;
- Are not grown solely as stock plants;
- May produce edible fruits, nuts, buds, flowers, or greenery for sale; and
- Are not any plant classified by a state or county as illegal to grow or sell in the county in which the CE is located. For example, growing or selling plants classified as invasive species is illegal in many states and counties. No indemnity will be paid on any such plant.

- **How is my amount of insurance determined?**

Amount of insurance is calculated by multiplying the coverage level you elect by the Selected Value (SV). The SV is the value you declare on your CEVR of the insurable specific plants in each insured plant category.

- For additional coverage:
  - The SV may not exceed the highest maximum value for the same plant category reported on your MUV; and
  - You may be required at time of inspection to provide inventory records or comprehensive business plan to support the maximum values reported.
- For CAT coverage, your SV for each insured plant production practice cannot exceed the lesser of:
  - 110 percent of the maximum value for all the plant categories in any given month during any of the preceding three crop years; or
  - The maximum of the monthly values reported on the MUV. At the time of an inspection or at any time upon our request, you must provide inventory records to support the monthly values reported.

- **What are the insurable causes of loss?**

Insurance is provided for unavoidable damage caused only by the unknown introduction of a plant disease or contamination into the CE at no fault of the CE operator resulting in a destruction order that requires destruction of the plants.

## • **What information do I need to provide if I have a loss?**

If you have a loss, you must:

- First protect the plants from further damage by providing sufficient care;
- Then notify your insurance company within 72 hours of initial discovery of damage (but not later than 15 days after the end of the insurance period); and
- Cooperate with the insurance company in the settlement of claim.

To complete a settlement of claim, the insurance company will need the following information:

- Documentation that supports your CEVR and inventory immediately prior to the loss occurrence.
  - Required documentation includes, but is not limited to, the following:
    - A detailed listing that includes the full name of each specific plant;
    - Acceptable sales records for any specific plants that were sold the previous 60 days or 12 months, as applicable, that support the determination of approved sales value for each specific plant as described in section 1 of the CE Crop Provisions; and
    - Documentation or demonstrated performance of your ability to properly obtain specific plants and carry out good production practices related to the maintenance of the specific plants.
- A copy of the destruction order.
- If requested, you must provide:
  - Your most recent inventory; and
  - Purchase and verifiable sales records from the date of your most recent inventory to the date of loss occurrence.

## • **How are losses determined?**

To determine the loss, the loss adjuster needs to know the pre-loss actual unit value and the post-loss damage value.

- The pre-loss actual unit value is the total dollar value of all insurable specific plants in a basic unit, immediately prior to the occurrence of the loss event, determined by multiplying the approved sales value by the number of each specific plant and summing the results.
- The post-loss damage value is the total dollar value lost in a basic unit due to an insured cause of loss determined in section 12 of the CE Crop Provisions using Federal Crop Insurance Corporation approved procedures and the damage factors contained in the Special Provisions.

Once the loss adjuster knows those two values, the loss adjuster determines the percent of loss by dividing the post-loss damage value by the pre-loss actual unit value.

The percent of loss is then multiplied by the coverage percentage and lesser of the pre-loss actual unit value or the SV to arrive at the value of the loss.

The indemnity is then calculated by multiplying loss by your price election percentage and share.

The total of all indemnities paid for the crop year will not exceed the amount of insurance.