Canada-Alberta AgriInsurance Products

for 2019 Annual Crops

Program Information for Annual Crops
Contract of Insurance for Annual Crops

Agriculture Financial Services Corporation

CANADIAN AGRICULTURAL PARTNERSHIP

Unique Financial Services
AFSC
INSURANCE • LENDING • INCOME STABILIZATION

Alberta Government

Canada

Important AFSC deadlines

April 30

- **Apply** for Annual Crop Insurance.
- **Make changes** to elected options from the previous year including:
  - Coverage level;
  - Endorsement selection;
  - Declared acres – include acres that are insured, uninsured, seeded, intended for seeding to annual crops, silage, and greenfeed;
  - Auto-election of straight hail insurance.
- **File** Land Report for fall sown crops, spring crops seeded in the fall and fescue, timothy and alfalfa grown for seed.
- **Cancel** Annual Crop Insurance.

Prior to May 15

For Bee Overwintering Insurance, AFSC must be notified 10 days prior to unwrapping hives. An inspection is required prior to unwrapping or moving from indoor storage. Coverage will be denied if AFSC is notified after May 15.

May 31

File Report of Producing Hives for Honey and Hive Yard Locations for Honey Insurance forms.

June 1

Amend Declared Acres for Unseeded Acreage Benefit on land purchased, rented or sold between May 1 and May 31 with written proof of the transaction.

June 20

- **File** annual crop Land Reports without penalty.
- **Apply, make changes or cancel** Bee Overwintering Insurance.
- **Report** acres that remain unseeded due to excessive moisture.

June 25

- **File** annual crop Land Report with late filing fee. Failure to file by this deadline results in Breach of Contract and clients being unable to participate in any AFSC insurance programs for current and following year.
  Exceptions:
  - Western Livestock Price Insurance Programs can be purchased in the current year.
  - Straight Hail Insurance can be purchased in the following year.
- A two per cent early payment discount is applied to premium payments received by AFSC the later of June 25 or within 15 days of each version's billing date.

July 18

Amend acres reported and insured under Silage Greenfeed Insurance Lack of Moisture option if reported acres were not seeded.

Prior to commencing harvest but no later than August 15

Report carryover inventory from previous years, including all production owned whether produced or purchased for feed, seed or market on the Report of Grain in Storage Prior to Harvest form.

September 1

- Interest begins **accruing** on unpaid premium.
- Last day to **file** Report of Bees Overwintered and Hive Yard Locations.

September 15

File Harvested Production Reports (HPR) without penalty for Pedigreed Timothy Seed and Commercial and Pedigreed Creeping Red Fescue.

October 30

File Honey Harvested Production Report (HPR).

Prior to November 1

For Bee Overwintering Insurance, AFSC must be notified 14 days prior to wrapping hives. An inspection is required prior to wrapping or moving to indoor storage. Coverage will not apply to hives wrapped after November 1.

November 15

File Annual Crop Harvested Production Report (HPR) without penalty. HPRs filed between November 16 and December 31 of the current crop year will be charged a late filing fee.

December 31

- **Clients to pay their** 2019 account without negatively affecting their credit and to avoid a cash-up-front on premium for the 2020 insurance year. Clients should contact their branch to make payment arrangements.
- **File** Annual Crop Harvested Production Report (HPR) with late filing fee. Failure to file an HPR by this deadline will result in a yield recorded as zero and no indemnity will be calculated.

What is new for 2019

Organic Certification

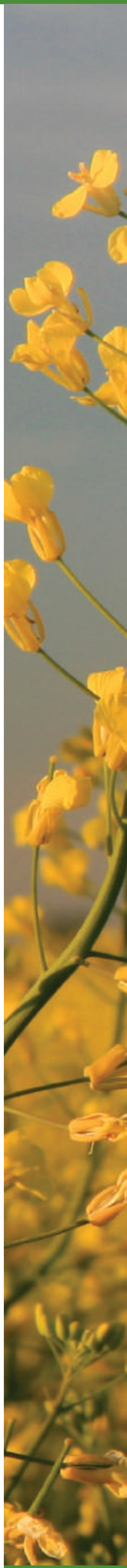
In the event that certification will be completed in the same crop year, clients are eligible for organic coverage at the start of the crop year by providing a Letter of Transmittal or suitable pre-certification documents to AFSC by April 30. To maintain organic coverage, clients would need to provide their organic certification in the fall.

Processing Vegetable Insurance

The processing plant will no longer receive a share of the coverage or indemnities through AFSC. As a result, clients will receive full coverage and premium on their subscription, which will be reflective on the Statement of Coverage and Premium. This will not impact the current bypass process or any other aspects of coverage AFSC provides for processing corn and peas.

Weather stations

Clients may choose one, two or three weather stations to best represent conditions on their farm, and within proximity of their land base. Since weather station information may be subject to change, visit www.afsc.ca or contact your AFSC branch for a current list of weather stations.



What was new in 2018

Changes to insurance for wheat

AFSC has created two new categories for wheat to reflect wheat class modernization changes made by the Canadian Grain Commission. Starting in 2018, varieties of Canada Northern Hard Red (CNHR) and Canada Western Special Purpose (CWSP) wheats will be insured under their own categories, distinct from other wheat classes. These changes affect varieties of CPS and HRS wheats moving into the CNHR and CWSP classes. Clients who are growing these varieties will need to ensure they elect coverage for the new categories.

Spring Price Endorsement (SPE)

A 10 per cent claim deductible is being introduced which will reduce the premium rate charged to clients by 20 to 30 per cent, depending on the crop selected. The payment triggers are still the same; the calculated fall market price needs to drop below the spring insurance price from 10 to 50 per cent, and SPE will pay back up to 90 per cent of the spring insurance price on production produced, or deemed to be produced, up to coverage elected.

Silage Greenfeed Insurance

Canola and crops that are predominantly oilseed mixtures are no longer an insurable crop under Silage Greenfeed Insurance.

AFSC has simplified the Lack of Moisture option by removing spring soil moisture from the weather coverage options, lowering the available options from seven to the three most utilized by clients.

New Crop Insurance Initiative (NCII)

To qualify for NCII coverage, clients must have insured acres of the same land use for both the NCII and the annual crop. For example, to qualify for irrigated coverage of an NCII crop, the client must have irrigated acres insured on their Crop Insurance subscription. Indemnities are calculated for losses on dryland acres separately from losses on irrigated acres.

Fields insured under NCII will need to be within close proximity to the fields insured under Crop Insurance.

Reseeding Benefit

The compensation levels for the Reseeding Benefit have been updated to better reflect the current cost.

Schedule of Fees

AFSC has updated its administration fee schedule. Changes may impact clients who are late filing information, requesting subsequent inspections or sampling of products outside the normal process, or who wish to appeal decisions made by AFSC. For additional information, clients should contact AFSC.

Weather stations

There were five new weather stations added to the network of weather stations across Alberta, and two weather stations, Smyth and Spirit River were decommissioned

AFSC online services

For 2018, AFSC will have new online functionality through AFSC Connect.

AFSC

Agriculture Financial Services Corporation (AFSC) is a provincial Crown corporation, serving Albertans in 44 offices located across the province. AFSC provides crop insurance (AgriInsurance) for annual and perennial crops as well as honey, bee overwintering and livestock price insurance. AFSC delivers provincial and federal agricultural support programs, including AgriStability and provides producers, agribusinesses and commercial enterprises with lending products.

Protecting your privacy

AFSC adheres to privacy procedures compliant with current legislation and is committed to securing our clients' personal information. Personal information is defined as any information about an identifiable individual that is recorded in any form, subject to the *Freedom of Information and Protection of Privacy Act* (FOIP Act). As an individual, it is your right to control when, how and to what extent your information is communicated to others.

Reporting fraudulent activity

AFSC does its best to ensure that only clients who legitimately qualify receive the amounts for which they are eligible. AFSC is responsible for protecting the integrity of the programs it administers, and ensuring the taxpayers' dollars are properly accounted for.

Some examples of fraudulent activities are:

- Falsifying documents;
- Not disclosing all production;
- Not disclosing all relevant information;
- Selling production under someone else's name.

Anyone suspecting fraud, waste or abuse of AFSC programs, including insurance, AgriStability or lending should contact AFSC and ask to speak with the Compliance and Investigation Department. Reports of fraudulent activity can be made anonymously at 1.877.685.9317 or by visiting www.clearviewconnects.com.

Principles of crop insurance

Crop insurance in Alberta includes AgriInsurance, and is one component of the Canadian Agricultural Partnership (CAP). This agreement is Canada's and Alberta's commitment to agriculture, and focuses on achieving results, reflects input from across the sector, and strives to deliver programs that are responsive to the needs of producers.

General information

Eligibility

Insurance is available to any producer who meets AFSC eligibility requirements. Insurance applicants are required to provide legal, operational and financial information. Producers interested in insuring their crops and establishing their eligibility should contact an AFSC branch (pages 120 and 121 show office locations).

Assignments

Clients may assign the right of their indemnity to a third party. By applying under the Advance Payment Program (APP) for a cash advance, clients are agreeing to assign insurance proceeds against the advance.

Other assignments (e.g. financial institutions) are registered after AFSC receives and approves the completed Assignment of Indemnity form and registration fee. AFSC will deduct assigned funds until the assignment is paid in full. Assignment deductions are mailed directly from AFSC to the third party, and any remaining indemnity is mailed to the client.

Deferrals

To facilitate tax planning, clients can choose in advance to defer indemnities to the following tax year. There will be no recourse to defer payment once a cheque has been issued. Deferred indemnities will not be applied to outstanding premiums or balances until the deferred date and interest will continue to accrue.

Interest policy

Interest begins accruing on unpaid premium on September 1 at the CIBC prime rate plus two per cent, adjusted quarterly. Interest is added to account balances beginning October 1 and the first of each following month until the account is paid in full.

Outstanding accounts

Premiums, administrative fees and all other amounts owed to AFSC are due and payable upon billing. Outstanding amounts owed to AFSC will be deducted from indemnities payable to the client.

Insurance claims paying for other programs

AFSC reserves the right to use insurance claim payments to offset outstanding accounts for all insurance, AgriStability and lending programs AFSC administers.

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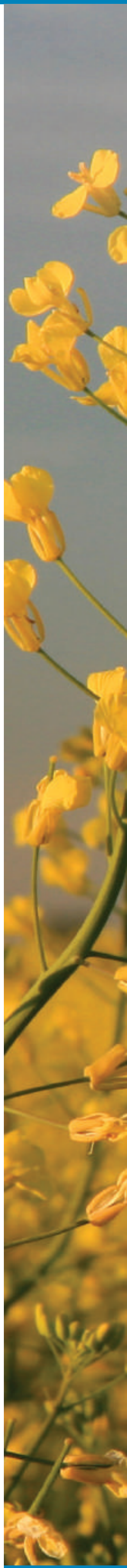


Overview

Basics of production insurance

AFSC offers insurance for both dryland and irrigated crops and provides a production guarantee based on a calculated individual coverage for each client. Indemnities are calculated and paid based on actual production and reflect conditions on the client's farm.

Clients can insure their annual crops for production insurance coverage under two subscriptions: Crop Insurance for the majority of crops, and Processing Vegetable Insurance for eligible crops contracted to a processing plant.

AFSC sets a spring insurance price and determines the designated grade for each crop. Additional benefits and endorsements are offered to protect against price fluctuations between the spring insurance price and the calculated fall market price.

Clients elect the percentage of coverage and the options they want. When crop production, both harvested and appraised production, falls below the production guarantee and the loss is due to an insured peril, the corresponding amount for production shortfall will be paid at the final calculated price option, determined grade, and dollar value of the crop.

Insurable crops

A full list of crops that are insurable are listed under individual Insuring Agreements located in the Contract of Insurance in the back of this booklet. These crops, including the processing vegetable crops, and the Honey and Bee Overwintering Insurance programs are also listed in the Program Specifics Tables on pages 18 to 21.

Included is information regarding available dryland and/or irrigation coverage, risk area restrictions and information regarding benefits and available endorsements.

- Mixed grain is insurable where there is 79 per cent or less of any one crop in the mix. If there is 80 per cent or more of any one crop, the field is insurable as that crop, rather than as mixed grain.
- Pure stands of pulse crops are insurable only when there is a maximum of 10 per cent of another crop in the mix. If the mix exceeds 10 per cent, contact your branch for insurance options.

Minimum acres

Most insurable crops do not have a minimum number of acres required to be insured, although all seeded acres of elected crops must be insured. Rather, there is a minimum $25 of actual calculated premium per insurance subscription. The minimum acreage requirements for insurable crops are listed in the Program Specific Tables on pages 18 to 21.

Eligibility Areas

Some crops are only insurable in specific risk areas across the province. The eligible risk areas for the following crops are based on the Risk Area Map on page 53.

Annual Crop	Eligibility Risk Areas
Hybrid Canola Yield Categories A, B, C *	2, 3, 4, 5 & 9
Dry Beans	2, 3, 4 & 9
Potatoes – Fry Late Russet, Sunflowers, Sugar Beets	2, 3, & 4

** Irrigation only*

Risk area restrictions for additional crops and processing vegetable crops are listed in the Program Specifics Tables on pages 18 to 21 and the maps on pages 52 to 60.

The risk area restrictions for specialty crops are identified in the Program Specifics Table on page 20 and on the Horticulture Risk Area Map on page 59.

The risk area restrictions for Honey and Bee Overwintering Insurance are in the Program Specifics Tables on page 21 and the Honey and Bee Overwintering Insurance map on page 58.

Seeding deadlines

The seeding deadline for most cereals and oilseeds is June 20, however, there are also recommended seeding dates.

The following crops have seeding deadlines and are not insurable when seeded after these dates. The seeding deadlines for all crops, including specialty crops, are listed in the Program Specific Tables on pages 18 to 21.

Annual Crop	Seeding Deadline
Corn (Grain)	May 15
Chickpeas, Faba Beans, Lentils	May 25
Camelina	May 31
Field Peas	June 1
Sugar Beets	June 7
Dry Beans, Potatoes	June 10

If the following crops are seeded later than the recommended seeding dates, restrictions for grade-loss coverage may apply.

Annual Crop	Recommended Seeding Date
Canary Seed, Canola (Argentine & Polish), Hybrid Canola, Flax, Mixed Grain, Mustard, Oats, Wheats	May 31
Barley, Rye (Spring), Triticale (Spring)	June 5
Rye (Fall),Triticale (Winter), Winter Wheat (North of Bow River)	Sept 20
Rye (Fall), Triticale (Winter), Winter Wheat (South of Bow River)	Sept 30

Coverage

Coverage is a fundamental part of any insurance policy and is based upon a long-term average yield. Clients can customize their insurance by choosing which crops to insure and elect a coverage level as a percentage of their individual coverage for each crop. Options and endorsements, such as the Auto-Elect Straight Hail option, Hail Endorsement and Spring Price Endorsement, may also be elected.

Coverage levels of 50, 60, 70 or 80 per cent can be elected for most insurable crops:

- Sugar Beets coverage - is available up to 90 per cent.
- Camelina and Canary Seed - coverage is limited to 50, 60 or 70 per cent coverage levels.
- Processing Vegetable crops - coverage is limited to 70 or 80 per cent coverage levels.

Irrigation coverage

All acres of an elected crop must be insured, whether managed as irrigated or dryland, and each cropping practice is insured separately.

Irrigated acres are insurable only when irrigated with an adequate source of water applied on a timely basis, and an Irrigation Log is maintained with dates and approximate amounts of rainfall and irrigation water applied to each field.

Hybrid canola and hemp grain are only insurable when managed as an irrigated crop. Other crops that are insurable only when managed as an irrigated crop are listed in the Program Specifics Tables on pages 18 to 21.

Individual coverage information

A client's average yield for a crop is based on the average of the yield records AFSC has recorded for that crop. Yield records are gathered in different ways, including:

- From Harvested Production Reports (HPRs) provided by the clients;
- Yield information gathered by AFSC inspectors who visit the farm in claim situations;
- Random audits conducted by AFSC inspectors to confirm the accuracy of HPR information.

Rules for yield records used

Individual coverage will use:

- A blend of available yield records and the historical yields for the townships in which the client farms when there are four or fewer yield records available;
- The average of up to 15 of the most recent yield records for a crop when there are five or more yield records available.

Yield records older than 25 years will not be used.

Start up

Coverage is based on a minimum of five years of records. Crops with fewer than five years of yields available in the system will be considered to be in the start-up phase. Missing yields will be filled in with the historical average yield for the townships in which the farm is located. If clients do not have any yield records available, coverage will be based entirely on the historical average for the township(s) where the farm is located.

Cushioning of low yields

One feature of individual coverage is cushioning of low yield records. Cushioning has the effect of stabilizing coverage by reducing year-to-year fluctuations. Unusually low yield records will be adjusted upward for the purposes of calculating the individual normal yield for a crop. When a crop yield is less than 70 per cent of the individual normal yield, the actual yield will be cushioned and replaced by 70 per cent of the individual normal yield for that crop for that year.

The actual yield is used to calculate an indemnity while the cushioned yield will be used to set future coverage.

Trending of yield records

For most crops, due to improvements in varieties and management practices, yields generally increase over time. In order to ensure that individual coverage reflects this trend, individual yield records will be adjusted by a trend factor. Older yield records will be increased more than recent yield records.

Adjustments will be made by multiplying individual actual or cushioned yields by a trend factor. The trend factor is a number which reflects the average annual increase in yield for a specific crop in a specific risk area.

For example, if the trend factor for canola in Risk Area 7 is 1.012, then a yield at 30 bushels that is one year old will be increased by 1.012 (to 30.36 bushels) to reflect one year of improvements to technology and management.

If a yield at 30 bushels was four years old, it would be increased by 1.012 four times (31.47 bushels) to reflect four years of improvement.

Example: Client has insured canola since 2013 and has five yield records. Cushioned and trended yields will be calculated as:

Year	Individual Long Term Ave. Yield	Actual Yield	Cushioned Yield	Trended Yield
2013	42	42	42	45.1
2014	41	37	37	39.3
2015	40	20	28	29.4
2016	40	43	43	44.6
2017	38	48	48	49.2
	Average	38	39.6	41.5

Bushels are used for example purposes. Actual coverage is calculated in kilograms. For 2019 coverage will be based on the trended yield of 41.5 bushels per acre.

One-year lag

Actual yields are not available immediately for use as it takes time to gather and verify information. For example, a yield produced and reported in 2018 will not be available to calculate coverage for 2019; it will first be used to set coverage for 2020.

Fallow and stubble

Under individual coverage, each dryland crop has a fallow yield time series and a stubble yield time series. If a client only grows crops on stubble, a fallow yield will be created for every year that the client insured a crop on stubble. This way, if a client ever insures a crop on fallow, coverage will be provided that reflects his productive capacity. The same process will happen if there is only a fallow yield.

These fallow or stubble records will be created by applying the appropriate risk area fallow:stubble ratio to the existing yield record.

Year	Actual Stubble Yield	Risk Area Annual Fallow/ Stubble Ratio	Created Fallow Yield
1	20	1.22	24.4
2	30	1.10	33.0
3	35	1.08	37.8
4	32	1.12	35.8
5	26	1.18	30.7

Additional insurance available

AFSC offers Auto-Elect Straight Hail as an option to purchase Straight Hail Insurance when coverage is elected for production insurance, on or before April 30, in advance of seeding crops.

Hail Endorsement (HE) offers spot-loss coverage for damage due to hail, accidental fire and fire caused by lightning. When this option is purchased and the insured crop suffers a loss of 10 per cent or more, the client is eligible for a payment based on the percentage of loss on the damaged acres. More information is on page 45.

Price

In the spring, AFSC forecasts expected crop prices for the coming crop year. In the fall, AFSC reviews the pricing to determine whether the crop's fall market price is substantially lower or higher than the spring insurance price and sets fall prices accordingly.

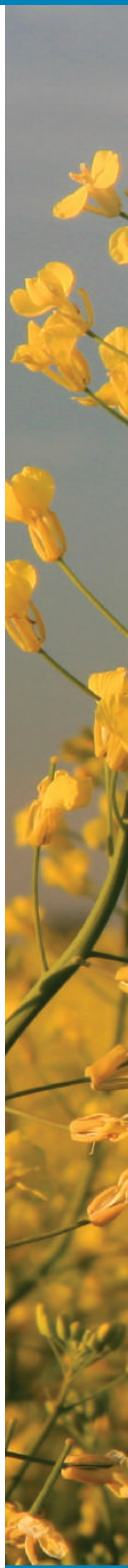
Variable Price Benefit (VPB)

Crop Insurance includes VPB, which applies to most crops. Compensation is provided for each insured crop when there is a production shortfall below the insurance coverage guarantee, and the price of the insured crop increases by 10 percent or more from the spring insurance price to the fall market price. VPB is limited to a 50 per cent change.

Spring Price Endorsement (SPE)

Crop Insurance includes SPE which offers protection for within-year price declines of more than 10 per cent between the spring insurance price and the fall market price. The SPE is limited to a 50 per cent change. Once SPE is triggered, it will pay back up to 90 per cent of the spring insurance price on production produced, or deemed to be produced, up to the coverage elected. Further information and examples are on pages 42 to 44.

All insurable crops that are eligible for Variable Price Benefit and Spring Price Endorsement are listed in the Program Specifics Tables on pages 18 to 21.



Premium and cost sharing

Federal and provincial governments support AgriInsurance programs by paying all administration expenses and sharing premium costs with clients.

Premium rates are set annually based on historical losses and reflect AFSC's risk of future production losses. Premium rates may vary by crop type, risk area, practice and coverage option.

Client premium is calculated by multiplying the dollar coverage by the client's share of the premium rate and applying any applicable premium adjustments.

Premium Adjustments & Discounts	
+ / - 38%	Premium Discount or Surcharge from minus 38% up to plus 38% based on loss experience
2%	Continuous Participation Discount applies after the first insurance year unless the client does not have coverage or losses for one year, then it is zeroed and must be earned again
3%	All Crops Discount applied when all annual eligible crops grown are insured
2%	An Early Payment Discount is applied to premium payments received by AFSC the later of June 25 or within 15 days of each version's billing date
2, 4 or 6%	Discount percentage applies based on the number of acres insured. 2% for 320-639 acres, 4% for 640-1,280 acres, and 6% for exceeding 1,280 acres

Designated perils

Only yield losses due to the following designated perils are covered under production insurance:

- drought on dryland crops
- excessive moisture
- fire by lightning
- flood
- frost
- hail
- insect infestations
- plant disease
- Richardson's ground squirrel (gopher)
- snow
- waterfowl and wildlife
- wind

Uninsured causes of loss

Uninsured causes of loss may be applied to acres when clients fail to comply with the rules of the insuring agreement, including where recommended farm management practices are not followed.

When uninsured causes of loss are determined, claims may be reduced or denied, reflecting the amount of production and/or quality loss due to the uninsured causes. The acres remain insured and full premium remains payable.

If clients fail to request an inspection prior to putting acres to a use other than harvesting, AFSC will apply uninsured causes of loss equal to coverage on the affected acres. The premium for the year must still be paid.

If clients refuse to allow AFSC to conduct an audit, a yield of zero is applied which, although cushioned, will negatively impact future coverage.

Indemnity

Losses on insured crops are based on production and quality. Where production is all harvested, the total production is adjusted for any quality losses and compared to the total coverage to determine the amount of loss. When some acres are not harvested, branch staff and inspectors will work with the client to determine an appraised production value for the acres, to add to the amount of total production.

Any losses are initially paid at the spring insurance price, and where the Variable Price Benefit (VPB) triggers, the fall market price is used to revise or calculate production loss claims.

Liability (dollar coverage) calculation:
If the yield guarantee for canola at the coverage level selected is 35 bushels per acre and the spring insurance price per bushel is $10, then liability or dollar coverage is:

- 35 bushels x $10 = $350 per acre

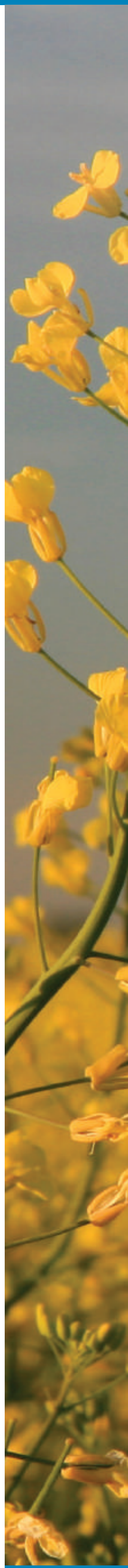
Assume: 22 bushels per acre of 1CAN canola harvested

Indemnity calculation (at designated grade):
Losses would be determined as:

- 35 bushels - 22 bushels = 13 bushels shortfall
- 13 bushels x $10 per bushel = $130 per acre indemnity

Indemnity calculation when VPB triggers (at designated grade):

- Canola fall market price is $12 per bushel according to the Fall Market Price Methodology described in the table on pages 22 and 23
- The fall market price increased by 20 percent from $10 to $12; the shortfall is paid at the fall market price
- 13 bushels x $12 per bushel = $156 per acre indemnity



Indemnity calculation (below designated grade): AFSC compares the value of the harvested grade to the value of the designated grade to create a grade factor. Then, to compensate for grade loss, the affected production is multiplied by the appropriate grade factor, which decreases net production and increases indemnity.

- 3CAN canola at a value $8.23 = 0.823 factor
- Harvested 22 bushels per acre of 3CAN x 0.823 factor = 18 bushels
- 35 bushels - 18 bushels = 17 bushels shortfall
- 17 bushels x $10 per bushel = $170 per acre indemnity

Indemnity calculation when VPB triggers (below designated grade):

- Canola fall market price is $12 per bushel according to the Fall Market Price Methodology described in the table on pages 22 and 23
- The fall market price increased by 20 percent from $10 to $12; the shortfall is paid at the fall market price
- 17 bushels x $12 per bushel = $204 per acre indemnity

Inspections

This section highlights eligibility criteria and administration procedures and/or client responsibilities for:

- Reseeding Benefit
- Unseeded Acreage Benefit
- Hail damage claims
- Preharvest inspections
- Harvested Production Reports
- Post-harvest claims
- Unharvested Acreage Benefit (snowed under)
- Production inspections (audits)
- Wildlife Damage Compensation Program
- Claim assessment disputes
- Measuring acres with a Global Positioning System (GPS)

Reseeding Benefit

The Reseeding Benefit is included with production insurance on eligible crops insured at 60, 70, 80 or 90 per cent coverage levels. The Reseeding Benefit is not included at the 50 per cent coverage level. The cost of the Reseeding Benefit is included with production insurance premium, so separate premium for reseeded acres is not required.

The Reseeding Benefit provides compensation on a spot-loss basis for acres damaged on or before June 20 by designated perils, and is intended to partially compensate clients for the cost of reseeding the original crop.

The reseeding indemnity is paid according to the amount of the benefit payable on the crop originally insured.

The reseeded crop can be insured, provided it was elected on or before April 30 and seeded according to seeding guidelines and by the seeding deadline for the crop to which the acres were reseeded.

There is no limit to the number of reseeding claims that can be submitted on the same land. However, AFSC will only pay on land that has been released for reseeding.

Note: Payments under the Reseeding Benefit can impact premium adjustments under the basic production insurance policy.

Basic eligibility criteria

To qualify for this benefit, the reseeded acreage must be land that meets all of the following criteria:

- The land to be reseeded was seeded to an insured crop and is damaged by an insured peril;
- AFSC must release the acreage prior to the start of the reseeding.

Clients may not be required to reseed the acres to be eligible for the Reseeding Benefit, subject to inspection and confirmation that the released acres were put to another use.

When AFSC determines it is impractical to reseed the crop prior to the seeding deadline, the client is eligible for the reseeding benefit, subject to inspection and confirmation that acres were put to another use.

Benefit values

The dollar-per-acre benefits are calculated based upon the original crop and are summarized for cereals and oilseeds in the table below. The Reseeded Benefit has a minimum acreage requirement of 10 acres or more for these cereals and oilseeds; except hybrid canola, which has a minimum requirement of five acres.

Annual Cereals & Oilseeds Crop	$ per acre
Hybrid Canola	$10
Flax, Mustard (Brown, Oriental)	$22
Barley, Canary Seed, Mixed Grain, Mustard (Yellow), Oats, Rye (Fall and Spring), Triticale (Spring and Winter), all Wheat categories	$27
Hemp Grain	$60
Canola (Argentine and Polish)	$65

Reseeded Acreage Benefit values, and minimum acreage requirements for all insurable crops are listed in the Program Specifics Tables on pages 18 to 21.

Unseeded Acreage Benefit

The Unseeded Acreage Benefit is included with production insurance. The cost of the Unseeded Acreage Benefit is included with production insurance premium, so separate premium is not required for unseeded acres.

The Unseeded Acreage Benefit provides compensation on a spot-loss basis for acres unseeded due to excess moisture as of June 20. This benefit is intended to partially compensate clients for the direct and indirect costs of seed bed preparation when seeding is prevented due to excess moisture.

Basic eligibility criteria

To qualify for this benefit, clients must have an active Annual Crop Insurance contract and acres must be unseeded as of June 20 due to excess moisture. The total number of acres intended to be seeded must have been declared by April 30.

Land that is rented or purchased after April 30 but before June 1 is eligible with written proof, copy of the signed rental agreement, or bill of sale; provided it is received at AFSC by June 1.

There is a five per cent deductible on all cultivated acres per quarter section.

To qualify for this benefit, the unseeded acreage must be land that meets at least one of the following criteria:

- Intended to be seeded for crop, silage and/or greenfeed (insured and uninsured);
- In hay or pasture the previous year and that was either worked or sprayed at a rate sufficient to kill that crop and intended to seed to a spring crop in the current year (insured and uninsured);
- Seeded to a fall crop intended for harvest in the claim year;
- Unharvested (snowed under) the previous year and is intended to be harvested in the spring prior to seeding a spring crop;
- Qualified for a Reseeding Benefit and could not be reseeded on or before June 20 due to excessive moisture.

Note: AFSC may deny coverage on land where flooding or excess moisture is a recurring problem.

Levels of payment

There are four levels of payment and each level has different eligibility requirements:

- **Level 1:** Dryland $49 per acre - compensates for direct costs (rent, land taxes and interest), land preparation (cultivation, harrowing, herbicide application and chemical fallow) and following year land maintenance;
- **Level 2:** Dryland $108 per acre - compensates for Level 1 costs plus pre-plant incorporation of fertilizers (confirmation receipts may be required);
- **Level 3:** Irrigated $107 per acre - compensates for direct costs (rent, land taxes and interest), land preparation, (cultivation, harrowing, herbicide application and chemical fallow), irrigation water rights and following year land maintenance;
- **Level 4:** Irrigated $179 per acre - compensates for Level 3 costs plus pre-plant incorporation of fertilizers (confirmation receipts may be required).

Benefits are capped at the lesser of $108 per acre for dryland and $179 per acre for irrigated acres, or 50 per cent coverage for the client's predominant dryland and irrigated crops.

Note: Payments under the Unseeded Acreage Benefit can impact premium adjustments under the basic production insurance policy.

Hail and fire damage

Hail Endorsement and Straight Hail Insurance provide spot-loss coverage for damage due to hail, accidental fire and fire by lightning. When the insured crop suffers a loss of 10 per cent or more, the client is eligible for a payment based on the percentage of loss on the damaged acres.

Clients who purchase Hail Endorsement or Straight Hail Insurance, including Auto-Elect Straight Hail, must report a loss within 14 days after the day the crop was damaged by hail or fire.

Clients are to check insured fields to identify the damaged areas prior to filing a hail claim and are expected to take the inspector to damaged fields when the damage assessment is completed.

Preharvest inspections

If clients choose to put a crop to a use other than combining, it is important that a preharvest inspection be requested through AFSC. An assessment on a low yielding crop may generate an insurance claim. On the other hand, a high yielding crop could increase coverage under production insurance for the future.

With AFSC approval, the client may have the option to leave standing inspection strips or swaths on acres being put to another use, to allow AFSC to conduct a preharvest appraisal.

Land that has been damaged by an uninsured peril will be assessed uninsured causes of loss and not paid under the insurance policy.

Crops put to an alternate use without being released by AFSC will have uninsured causes of loss assessed, which may affect post-harvest production insurance and Spring Price Endorsement indemnities.

Claim or assessment information

The branch must be notified five days in advance of putting a crop to a use other than harvesting.

AFSC will need to know:

- The number of acres intended to be put to an alternate use;
- The reason for the alternate use;
- An estimate of the yield.

Depending on the estimate of yield, an inspector may complete a field inspection to determine the yield appraisal before acres are released.

On or before June 20 (Stage 1)

Damaged acres may be eligible for one of the following:

- Reseeding Benefit, or
- A yield appraisal of not less than 50 per cent of coverage.

After June 20 (Stage 2)

The crop can be carried to harvest and an insurance claim filed if total harvested production is less than guaranteed coverage. Crop (either partial acres or total acres) can be put to another use and, based on the client's estimated yield; the acres may either be released from the client's branch or inspected by an AFSC inspector to determine the yield appraisal.

Harvested Production Reports (HPR)

When production insurance for annual crops or honey is purchased, an HPR will be created based on the Statement of Coverage and Premium.

The HPR must be submitted on-line or to a branch office when harvest is complete, and no later than November 15 (September 15 for pedigreed timothy seed and commercial and pedigreed creeping red fescue). A late filing fee will be applied for HPRs submitted after the deadline. Failure to file an HPR by December 31 will result in a yield recorded as zero and no indemnity will be calculated.

Notification of an insurance claim and any required loss adjustment procedures are based on the information provided by clients on the HPR. The balance of remaining carryover must be reported. Identify yield differences by field in the upper portion as the HPR is the main source of historical data for fallow/stubble and variety yield differences and will affect future coverage.

An allowance for low yield is included with yield loss coverage for cereal, oilseed and pulse crops and will be applied to the harvested or appraised production on a field-by-field basis. When the yields fall within one of the categories in the following table, the yield will be reduced to the Yield to Count to adjust for the additional cost of harvesting, increasing potential indemnities from the program.

Allowance for Low Yield Table

Crop	Harvested Production and/or Appraised Potential Production (kg per acre)	Yield to Count (kg per acre)
Cereals, Canary Seed, Field Peas & Faba Beans	80 or less 81 to 120 121 to 150 Over 150	0 25 50 Full
Oilseeds	60 or less 61 to 80 Over 80	0 25 Full
Lentils, Camelina & Desi Chickpeas	40 or less Over 40	0 Full
Kabuli Chickpeas & Hemp Grain	25 or less Over 25	0 Full
Dry Beans	80 or less 81 to 100 101 to 120 Over 120	0 15 30 Full

Post-harvest claims
Post-harvest claims are triggered from information provided on the HPR.

An inspector is assigned to the claim and will make an appointment for a field inspection. The inspector will:
- Verify and/or measure the number of acres insured;
- Identify acres harvested; and
- Determine the quantity and quality of the crop harvested by sampling storage facilities and reviewing production sales receipts.

Samples taken by AFSC and sold production graded according to Canadian Grain Commission standards are eligible for grade adjustment. When grain is sold that is not graded according to Canadian Grain Commission standards, either off-board or to a non-licensed buyer, AFSC's designated grade will apply.

Unharvested crops
The Unharvested Acreage Benefit provides an advance payment for eligible acres on insured crops that remain unharvested after November 30 because of the onset of winter, when the client suffers a production loss. Acres will be considered eligible for the Unharvested Acreage Benefit if they exceed 20 per cent of the insured acres for each eligible crop and production does not equal or exceed coverage for that crop.

Production inspections
To ensure program integrity, AFSC completes a number of audits. Some audits are selected on the basis of an identified risk, while others are randomly generated. The procedures used for production audits are generally similar to post-harvest claims.

Wildlife Damage Compensation Program
When crops suffer at least 10 per cent damage from protected wildlife species or their excreta, or there is damage to silage in pits and tubes, a producer may be eligible for compensation. To file a claim, AFSC must be contacted before harvesting or destroying the affected crops.

Claim assessment disputes
AFSC recommends that the client accompany inspectors during field inspections to understand the assessment process. The inspector will explain the procedures being used, request a client signature on the loss assessment documents, and will leave copies.

If there is a disagreement with the initial loss adjustment, a second inspection by a Senior Inspector may be requested.

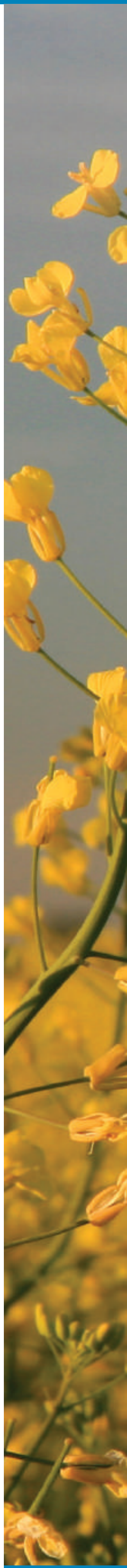
Once the second inspection is completed and there is still disagreement, an appeal may be filed by following the procedure outlined in the AFSC Contract of Insurance for Annual Crops.

Measuring acres with a Global Positioning System (GPS)
GPS provides AFSC with a quick and accurate tool for measuring fields. Because production insurance uses seeded acres for the calculations that determine coverage, premium and losses, it is important that AFSC have the most accurate field information available.

Acreage tolerance

AFSC's acreage tolerance policy applies to fields measured by AFSC. Tolerance is the lesser of five per cent or 20 acres by crop type. If AFSC measures acres of an insured crop and the acres differ from those reported by the insured, the following conditions will apply:
- When completing acceptance inspections or acreage verifications, AFSC will issue a revised Statement of Coverage and Premium based on the actual number of seeded acres calculated by AFSC and any indemnity calculation will also be based on the actual acres.
- When completing all other inspections:
  - If the measured or established acreage is within acreage tolerance, there is no revision to the Statement of Coverage and Premium and the reported insured acres are used in the calculation of the indemnity;
  - If the measured acres are outside the acreage tolerance compared to acreage shown on the Land Report, AFSC may issue a revised Statement of Coverage and Premium and the indemnity calculation shall be based on the actual number of seeded acres calculated by AFSC.

AFSC is not obligated to pay an indemnity on the additional acres if a loss has previously occurred. AFSC may remove the All Crops Insured discount if additional acres are outside of acreage tolerance.



Renewals

Clients who purchased production insurance, both Crop Insurance and Processing Vegetable Insurance, in the previous year will be automatically renewed based upon the previous year's information.

Personalized renewal notices are available in March. Clients are responsible to review the information. If changes are required, they must complete a Change Request form online or by mail, fax, email, in person or request changes by phone by April 30.

Hail Endorsement may be purchased with production insurance coverage at 60, 70, 80, or 90 per cent coverage levels by April 30. Auto-Elect Straight Hail Insurance may be purchased by April 30. Straight Hail Insurance can be purchased throughout the growing season.

Cancellations

Production insurance is continuous and remains in effect from year to year unless cancelled in writing or on a Change Request form by the client on or before April 30.

New clients

New clients must apply for production insurance on or before April 30 and AFSC will evaluate eligibility for insurance. New clients are required to demonstrate their legal, financial and operational independence. Required information includes Social Insurance Number or Business Number, legal land descriptions and number of acres on each location.

For each insured crop, clients will need to select a coverage level, end use, and can elect Hail Endorsement, Spring Price Endorsement and Auto-Elect Straight Hail option.

Elections (Renewal Notice)

Clients should ensure the confirmation of insurance reflects the correct coverage levels, crops, endorsements and declared acres.

Clients will be able to specify which crops to insure with the flexibility to adjust coverage levels and endorsements. They will need to review and elect all the crops they intend to insure on or before April 30.

Declared Acres

The total number of acres seeded and those intended to be seeded to insured and uninsured annual spring and fall crops must be reported. Declared acres must be correct as the Unseeded Acreage Benefit is limited by the acres reported, and will not be adjusted after the April 30 deadline, unless AFSC receives written proof by June 1 that additional land was purchased or rented between May 1 and May 31.

Details for specific crops

Pedigreed coverage is available for Canadian Seed Growers Association (CSGA) members who would like to purchase a higher price option for pedigreed insurance coverage. Pedigreed coverage provides a germination guarantee, and when harvested production fails germination standards for the crop, clients may be eligible for a claim.

Irrigated hemp grain: Coverage is restricted to Risk Areas 2, 3, 4 and 5. Proof of contract is also required for eligibility. In the event of a production shortfall, proof of license for commercial production from Health Canada must be presented.

Irrigated pedigreed hybrid canola: Coverage is provided for approved and contracted varieties of canola within restricted risk areas. The insured must provide a copy of the contract to AFSC in the name of the business insuring the crop. If two or more businesses are insured together, the name of the contract could be one of the businesses, provided the named parties do not have any other insurance.

Malt barley: To elect malting end use for barley, the insured must provide AFSC a contract in the name of the business insuring the crop, from a licensed buyer and have a minimum of 40 tonnes contracted. If two or more businesses are insured together, the name of the contract could be one of the businesses, provided the named parties do not have any other insurance.

Clients cannot insure both malt barley and commercial barley for the same crop year. If both malt and feed varieties (as defined by AFSC) are grown on the same farm, coverage will be restricted to commercial on all barley acres grown.

Organic crops

Coverage is available to clients that are certified organic growers through the Canadian Food Inspection Agency for the current crop year. In the event that certification will be completed in the same crop year, clients are eligible for organic coverage at the start of the crop year by providing a Letter of Transmittal or suitable pre-certification documents to AFSC by April 30. To maintain organic coverage, clients would need to provide their organic certification in the fall. Clients who lose organic certification must notify AFSC within five days. Clients cannot insure both organic and commercial crop for the same crop year. Example: Clients can insure either organic barley or commercial barley, but not both in the same year.

Specialty oil canola varieties
Coverage is available for eligible canola varieties contracted to plants for their oil profile. The insured must provide a copy of the contract to AFSC in the name of the business insuring the crop. If two or more businesses are insured together, the name on the contract could be one of the businesses, provided the named parties do not have any other insurance.

Land Report and Statement of Coverage and Premium

A Land Report must be completed and submitted on-line or to a branch office once seeding is finished and no later than June 20.

AFSC requires both insured and uninsured land information. Coverage is based on the land base farmed, not just the land insured, therefore the information is required to ensure coverage and discounts are correct.

Acres intended for summerfallow, all insured and uninsured (perennial and annual, spring and fall) crops grown for commercial, pedigreed or other end uses on land that is owned, rented, and crop-shared must be reported. Clients will not receive the All Crops discount when all information is not provided.

Land information is keyed to generate a Statement of Coverage and Premium, which explains coverage and premium and states AFSC's liability limit. Clients should review their billing carefully to ensure it is complete and accurate. Errors and omissions must be reported to AFSC within 15 calendar days of receipt. Accuracy is important, and AFSC reserves the right to deny additional liability when information contained on the Statement of Coverage and Premium reflects what is reported on the Land Report.

The client will also be provided with the following items:

- Client Reported Hail Claim Information (for Hail Endorsement and Auto-Elect Straight Hail clients);
- Report of Grain in Storage Prior to Harvest;
- Irrigation Logs (if applicable);
- Potato documents (if applicable).

Deadlines for filing Land Reports

File the Land Report when seeding is completed and no later than June 20	
April 30	Fall seeded acres and grass and legume crops grown for seed
June 20	Last day to file without fee
June 25	Last day to file with late filing fee
June 26 (and forward)	Insurance is rejected and client is deemed in breach

Reseeding Benefit

Clients are required to notify AFSC of intent to reseed an insured crop. Clients need to contact their branch prior to reseeding and on or before June 20, and provide the following information:

- Legal land locations;
- Insured crop that is damaged;
- Crop intended to be reseeded;
- Number of acres to be reseeded; and
- The cause of loss.

Either an inspector will inspect the acres to be reseeded or approval will be given by the branch staff to reseed. Acres that are not released by AFSC prior to reseeding are not eligible for this benefit.

Once reseeding is complete, the branch must be contacted. An inspector will confirm the actual number of released acres prior to payment.

Unseeded Acreage Benefit

Clients should contact a branch to file their Land Report and report any unseeded acres no later than June 20 and provide the following information:

- All legal land locations (reported separately by quarter section) that have unseeded acres;
- For each quarter section:
    - Total number of cultivated acres;
    - Number of dryland unseeded acres, and irrigated unseeded acres;
    - Number of acres seeded;
    - Number of acres intended for summerfallow;
    - Number of acres in hay and pasture;
    - Number of acres released for reseeding that could not be reseeded due to excessive moisture; and
    - Whether or not fertilizer was applied, on a field-by-field basis.

AFSC will verify the total number of acres that qualify for an unseeded acreage claim and determine the level of payment by confirming field preparation expenditure.

Hail and fire damage

For damage of 10 per cent or more under either Hail Endorsement or Straight Hail Insurance, clients must contact AFSC within 14 calendar days of the hailstorm or fire.

AFSC requires the following information when a report of hail damage is filed:

- The legal location and number of acres effected;
- The date, time, duration, and direction of the storm;
- The size of the hailstones and general conditions (strong wind, heavy rains, etc.); and
- Estimate of percentage of damage for each crop.

Clients should inspect fields, identify hail-damaged areas, and be able to accompany the inspector to damaged acres. Inspectors may wait to adjust a claim so that damage is more accurately identified. Claims may be deferred if crops are not sufficiently mature for accurate damage to be assessed.

If the crop is damaged when mature enough to swath or harvest, once authorized by AFSC, clients may leave representative inspection strips or swaths for inspectors to use to assess damage. Additional information on Inspection Strips is available on this page.

Preharvest - Reporting alternate crop uses

Clients are required to contact AFSC five days in advance of putting an insured crop to a use other than combining, to request an appraisal and release of acres.

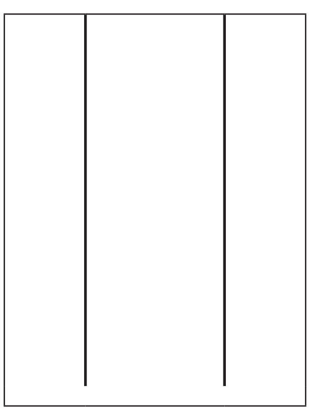
Clients must not dispose of an insured crop or put it to a use other than combining without AFSC releasing acres, as it may negatively impact their insurance. Once authorized by AFSC, clients may leave inspection strips if putting acres to another use.

Inspection Strips

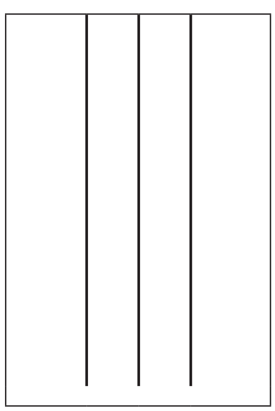
Inspection Strips are standing strips or swaths of insured crop left in from the edges of the field, a distance of about one-third (1/3) of the width of the field, for the length of the field and a minimum of 10 feet in width, for inspection by AFSC. The client is responsible for the maintenance of all inspection strips and swaths.

- On fields up to 100 acres, 2 strips are required.
- On fields over 100 acres, an additional 3rd strip must be left in the middle of the field.

Inspection Strip Examples



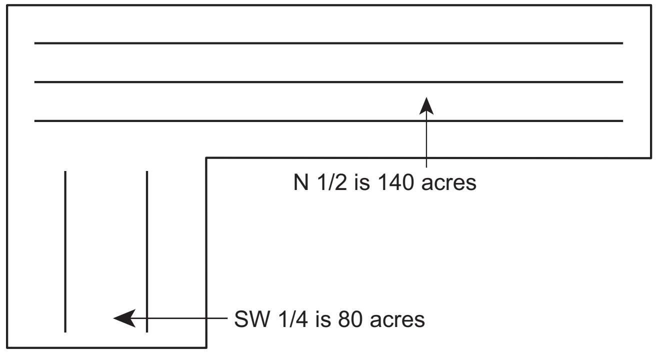
Fields up to 100 acres



Fields over 100 acres

On fields over 100 acres that span multiple quarter sections, treat each quarter section as a separate field:

- For fields up to 100 acres, two strips are required.
- For fields over 100 acres, three strips are required.



One field of 220 acres spanning three quarter sections.

Carryover inventory

All carryover grain, including purchased inventory and uninsured crop production, stored on or off the farm must be declared to AFSC when filing the current year Land Report even though the intent may be to sell or feed it before harvest.

The amount of carryover inventory shall also be reported prior to the commencement of harvest and not later than August 15 on a Report of Grain in Storage Prior to Harvest form. Clients may be required to provide sales receipts to identify carryover, purchased inventory and uninsured production sold after August 1.

Clients can account for any carryover inventory acquired, fed or sold after filing the Report of Grain in Storage Prior to Harvest form on their Harvested Production Report.

Harvested Production Reports (HPR)

HPRs must be filed when harvest is complete and submitted on-line or to a branch no later than November 15. (September 15 for pedigreed timothy seed and commercial and pedigreed creeping red fescue).

The information reported is used to:

- Determine whether there is a post-harvest insurance claim;
- Identify fallow/stubble yield differences;
- Determine yield information when there is no claim;
- Identify yield information by field/legal location, crop, and cropping practice to establish normal production estimates;
- Help with future program research; and
- Select situations for audits to ensure that information provided by clients is accurate.

Note: A late-filed HPR must be submitted by the deadline of December 31 and is subject to a late-filing fee. Failure to file an HPR may result in forfeiture of an indemnity and the application of a zero-yield estimate resulting in lower coverage for the future.

Post-harvest advance

Clients can request a 50 per cent advance for crops reported on their HPR, when there is a potential indemnity payment. Advance indemnities must exceed $500, cannot be deferred and will be applied to amounts owing to AFSC and assignments. Once the post-harvest claim is finalized, any advance overpayments must be repaid within 30 days of notification.

Unharvested advance

Clients need to contact their branch on or before the deadline of November 15 to file HPRs and to identify acres that remain unharvested (snowed under) due to weather.

Other responsibilities

- For irrigated crop acres, clients are required to maintain an Irrigation Log showing the dates of precipitation and approximate amount of water applied.
- Unlicensed and deregistered varieties must be stored separately and do not qualify for grade loss adjustments.
- Potato documents must be completed as requested, if applicable.
- Clients should maintain a record of grain sales as they occur. AFSC inspectors will determine the quality and quantity of the crop by sampling storage facilities and reviewing production sales receipts.

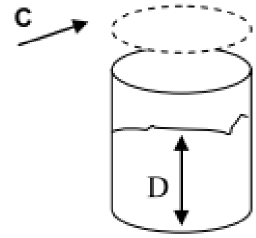
Determining production in storage

Hopper Bottom Bin

Use the conical pile formula for the hopper and the round bin formula for the upper portion of the bin. Combine the results of both formulas for the total volume of grain in the bin.

Round Bin

C = Distance around bin
D = Depth of the grain



Formula

C x C x D x 0.07958 = Volume

Imperial Measure - Feet

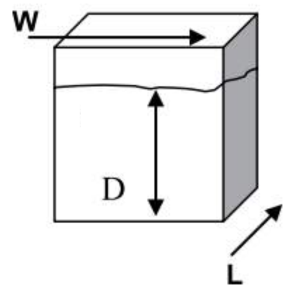
C = is 32' around the bin
D = is 12' depth of grain
32' x 32' x 12' x 0.07958 = 977.9 ft3
977.9 x 0 .7786 = 761 bushels

Metric Measure - Meters

C = is 9.8 meters
D = is 3.7 meters of grain
9.8m x 9.8m x 3.7m x 0.07958 = 28.2 m3
28.2 m3 / 0.036 = 777 bushels

Square or Rectangular Bin

L = Length of bin's side
W = Width
D = Depth of grain



Formula

L x W x D = Volume

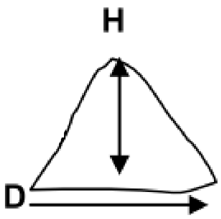
Imperial Measure - Feet

L = 10' long
W = 8' wide
D = 12' of grain
10' x 8' x 12' = 960 ft3
960 x 0.7786 = 747.5 bushels

Metric Measure - Meters

L = 3.0 meters long
W = 2.4 meters wide
D = 3.7 meters of grain
3.0m x 2.4m x 3.7m = 26.6 m3
26.6 m3 / 0.036 = 750 bushels

Conical Pile of Grain
D = Diameter
H = Height of the grain



Formula
D x D x H x 0.31416 = Volume

Imperial Measure - Feet
D = 14’ diameter
H = 9’ high pile of grain
If the pile is lopsided you may need to measure in at least two places across the base and determine an average diameter

14’ x 14’ x 9’ x 0.31416 = 554.2 ft3
554.8 x 0.7786 = 431.5 bushels

Metric Measure - Meters
D = 4.3 meters diameter
H = 2.7 meters high
4.3m x 4.3m x 2.7m x 0.31416 = 15.7 m3
15.7 m3 / 0.036 = 436 bushels

Triangular Pile of Grain
L = Length of the pile
W = Width of the pile
H = Height of the grain

Formula
L x W x H x 0.5 = Volume

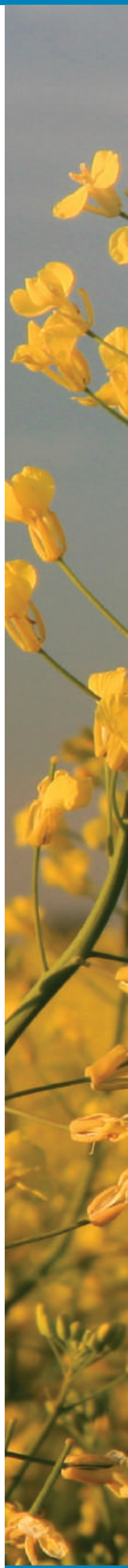
Imperial Measure - Feet
L = 25’ long pile
W = 15’ across the pile
H = 7’ height of grain pile
25’ x 15’ x 7’ x 0.5 = 1312.5 ft3
1312.5 x 0.7786 = 1021.9 bushels

Metric Measure - Meters
L = 7.6m long pile
W = 4.7m across the pile
H = 2.1m height of grain
7.6m x 4.7m x 2.1m x 0.5 = 37.5 m3
37.5 m3 / 0.036 = 1041 bushels

Things to Note:
- Differences between metric and imperial calculations are due to rounding.
- When grain is difficult to measure, production may not be determined and indemnities may not be calculated until grain is sold or in a measurable position.

Standards used by AFSC

Crop	Standard Bushel Wt.	Tonnes to Bushels	Bushels to Tonnes
	Pounds	Multiply By:	Multiply By:
Wheat	60	36.7	0.0272
Oats	41	53.8	0.0186
Barley	50	44.1	0.0227
Rye	56	39.4	0.0254
Flax	56	39.4	0.0254
Canola & Mustard	50	44.1	0.0227
Mixed Grain	45	50.1	0.0200
Triticale	52	42.2	0.0236
Safflower	38	58.6	0.0171
Pulse Crops	60	36.7	0.0272
Hemp	44	50.1	0.0200



Overview

This program provides coverage for hives managed for the sole purpose of honey production. Indemnities are calculated when there is a loss of production resulting from naturally occurring perils.

Coverage

Honey Insurance is divided into four risk areas across the province and coverage and premium is based on these risk areas. Clients can elect coverage levels of 50, 60, 70 or 80 per cent.

All honey producing hives must be insured and there is a minimum eligibility requirement of 100 hives. Hives that are overwintered outside of Alberta must be back in the province by May 31 and reported on the Hive Yard Location form supplied by AFSC.

Inspections

Hives may be subject to an acceptance inspection in the spring by AFSC to determine if hives are strong and viable.

Client responsibilities – Honey Insurance

Renewals

Clients who purchased Honey Insurance in the previous year will be automatically renewed based upon the previous year's information. Personalized renewal notices are available in March. Clients are responsible to review the information, complete the Change Request form if changes are required, and return the form to an AFSC insurance representative by mail, fax, email, in person or request changes by phone by April 30.

Cancellations

Honey Insurance is continuous and remains in effect from year to year unless cancelled in writing or on a Change Request form by the client on or before April 30.

New clients

New clients must apply for Honey Insurance on or before April 30 and AFSC will evaluate eligibility for insurance. Clients will need to elect a coverage level of 50, 60, 70 or 80 per cent and report the number of hives they wish to insure.

Special considerations for Honey Insurance

To be eligible, clients must:

- Be registered and operate under the regulations of the *Bee Act* in Alberta;
- Ensure hives that are transported away from the primary location are returned on or before May 31 and reported on the Hive Yard Location form supplied by AFSC;
- Insure all honey producing hives and must have a 100 hive minimum to insure; and
- Follow the industry best management practices.

AFSC reserves the right to inspect hive locations for overcrowding and placement.

Deadlines

Clients must apply, elect options or cancel by April 30.

All Honey Insurance clients are required to complete and file the Report of Producing Hives, and the Hive Yard Location form on or before May 31. AFSC requires that a copy of the Application and Certificate of Registration from the Provincial Apiculturist be attached to the Report of Producing Hives as proof of registration under the *Bee Act* in Alberta.

Clients are required to file their Harvested Production Report (HPR) on or before October 30.

Overview

This program provides coverage for the loss of bees, in excess of normal losses, resulting from naturally occurring perils beyond management control. Clients must be registered, operate under, and meet the requirements of the *Bee Act* in Alberta. Clients do not need to participate in Honey Insurance to qualify for this program.

Coverage begins November 1 and ends May 15. All hives overwintered in Alberta by the client must be insured and clients must have a minimum of 100 insurable hives.

Coverage

Bee Overwintering Insurance has two options for dollar coverage per hive, a high price and a low price, and applies a 90 per cent coverage level to the client's individual coverage survival rate. The province is divided into four risk areas and coverage and premium is based on these risk areas.

Newly insured client's coverage is calculated using the Risk Area Survival Rate using the coverage calculations below:

- Number of insured hives x Survival Rate x 90 per cent coverage level x dollar coverage per hive
- Risk Areas 1, 2, 3 = number of insured hives x 80 per cent x 90 per cent coverage level x high or low dollar coverage
- Risk Area 4 = number of insured hives x 70 per cent x 90 per cent coverage level x high or low dollar coverage

Schedule of coverage

Honey Risk Area	1,2,3	4
Area Average Mortality Rate	20%	30%
Survival Rate	80%	70%

Coverage example

A beekeeper with individual survival rate of 83 per cent insures 1000 hives for Bee Overwintering Insurance at the high dollar value.

- Number of hives x individual coverage x 90 per cent coverage level x dollar coverage
- 1000 hives x 83% x 90% x $175
- 747 x $175 = $130,725 coverage

Limits and penalties apply when a fall inspection determines there are 20 per cent more or 20 per cent fewer insurable hives than declared on the election of hives.

Insurable hives are determined by AFSC's On Farm Inspections during the fall inspection based on the following criteria:

- Adequate feed;
- Medication;
- The extent of mite infestation; and
- The number of good frames, and brood condition.

The methodology used to determine a good frame is established by AFSC and implemented by On Farm Inspections.

Coverage will be excluded for:

- Hives overwintered outside of the province;
- Hives that AFSC inspects and deems too weak to survive the winter;
- Leafcutter bees and nucs; and
- Single brood hives stored outdoors.

Designated perils

Only losses due to the following designated perils are covered under Bee Overwintering Insurance:

- Adverse weather;
- Disease;
- Pest infestations; and
- Epidemics for which there is no adequate means of protection.

Indemnity

When the fall inspection determines that all hives are insurable and they do not exceed 120 per cent of the reported hives, the client will be eligible for a claim if the number of dead hives exceeds their deductible. The table below demonstrates loss calculations for a dead hive and a weak hive.

Number of frames		Good Frames in a Dead Hive	Good Frames in a Weak Hive
Single Brood Stored Indoors	9	0 to 2	3
Double Brood	18	0 to 3	4
Triple Brood	27	0 to 3	4

Indemnity example
For the same beekeeper as above, On Farm Inspector determines during the spring inspection that there are 300 strong hives, 260 weak hives, and 440 dead hives.

The calculation for hives lost combines the dead hives with the weak hives (adjusted by a 2/3 factor) rounded to the nearest full number.

Example of hives lost calculation:
= 440 dead + (260 weak x 2/3)
= 440 + 173 = 613 insured hives lost

The calculation for the surviving hives adds the strong hives to weak hives (adjusted by a 1/3 factor) rounded to the nearest full number.

Example of surviving hives calculation:
= 300 + (260 x 1/3 factor)
= 300 + 87 = 387

The indemnity award calculation is as follows:
= [(insured hives x Individual Coverage x 90 per cent coverage level) - surviving hives] x dollar coverage
= (1000 x 0.83 x 0.90) - 387 = 360
= 360 x $175 = $63,000

Renewals
Clients who purchased Bee Overwintering Insurance in the previous year will be automatically renewed based upon the previous year's information. Personalized renewal notices are available in May. Clients are responsible to review the information, complete the Change Request form if changes are required, and return the form to an AFSC insurance representative by mail, fax, email, in person or request changes by phone by June 20.

Cancellations
Bee Overwintering Insurance is continuous and remains in effect from year to year unless cancelled in writing or on a Change Request form by the client on or before June 20.

New clients
New clients must apply for Bee Overwintering Insurance on or before June 20 and AFSC will evaluate eligibility for insurance. Clients will need to elect one of two price options and, based on the risk area, a survival rate will be applied. At this time, clients also report the number of hives they intend to overwinter in Alberta.

Special considerations for Bee Overwintering Insurance
To be eligible, clients must:
- Be registered and operate under the regulations of the *Bee Act* in Alberta;
- Insure all hives overwintered in Alberta;
- Have a minimum of 100 insurable hives;
- Provide a Treatment Log to the On Farm Inspector during the unwrapping inspection; and
- Follow the industry best management practices.

Note: Single-brood hives must be stored indoors to be eligible for Bee Overwintering Insurance.

Deadlines
Clients must apply, elect options, or cancel by June 20.

All Bee Overwintering Insurance clients are required to complete and file the Report of Bee Overwintering Hives & Yard Location form on or before September 1.

Inspections
All hives are subject to inspections by AFSC. Hives must be strong and viable.

In the fall, clients are required to notify AFSC 14 days prior to wrapping hives. An inspection is required prior to wrapping and/or moving to indoor storage. Coverage will not apply to hives wrapped after November 1.

In the spring, clients are required to notify AFSC within 10 days prior to unwrapping hives as an inspection is required prior to unwrapping or moving from indoor storage. Coverage will be denied when AFSC is notified that hives are being unwrapped after May 15.

Movement of hives
AFSC must be advised of all hive movements after the fall acceptance inspection has been completed and prior to the spring inspection.

Movement of hives outside of the province of Alberta prior to December 15 will result in coverage being denied and a premium refund for hives that were moved.

Movement of hives on or after December 15 will result in those hives being assessed as uninsured cause of loss, and the client will be responsible for the premium.

Program Specifics by Crop for Production Insurance
$25 Minimum Premium per Insurance Subscription

Eligible Crops and options	Coverage Levels: 50%, 60%, 70%, 80%	Designated Grade	Minimum Acres to Insure	End Uses - Commercial (C), Pedigreed (P), Specialty Oil (SO), Industrial (I), Malt (M), Organic (O)	Dryland Fallow & Stubble	Insurable under Irrigation	High Protein Price (higher price offered; does not guarantee protein content)	Variable Price Benefit (VPB)	Unseeded Acreage Benefit	Reseeding Benefit (Excluded at 50% Coverage) Minimum 10 acre blocks Does not apply to crops with an asterisk *	Unharvested (Snowed Under)	Hail Endorsement (HE) (Excluded at 50% coverage)	Spring Price Endorsement (SPE) (Excluded at 50% Coverage)	Risk Area (RA) Restrictions	Seeding Deadline (Specified in the Contract)	Recommended Seeding Date Crops seeded past this date may not be eligible for grade loss	Unit that crops are normally reported (bushels, lbs, or tons)
Barley	✓	1CW		C P M O	✓	✓		✓	✓	27	✓	✓	✓			June 5	bus
Camelina	50-70	n/a		C	✓				✓		✓	✓			May 31		lbs
Canary Seed	50-70	n/a	10	C P	✓			✓	✓	27	✓	✓	✓			May 31	lbs
Canola - Argentine	✓	1 CAN		C P SO O	✓	✓		✓	✓	65	✓	✓	✓			May 31	bus
Canola - Polish	✓	1 CAN		C P O	✓	✓		✓	✓	65	✓	✓	✓			May 31	bus
Hybrid Canola	✓	Cert 1	5			✓			✓	10*	✓	✓		Insure in RA 2, 3, 4, 5 & 9		May 31	lbs
Flax	✓	1CW		C P O	✓	✓		✓	✓	22	✓	✓	✓			May 31	bus
Hemp	✓	n/a		C P		✓			✓	60	✓	✓		See Map (Page 55)	June 20		lbs
Mixed Grain	✓	Average		C	✓	✓		✓	✓	27	✓	✓	✓			May 31	bus
Mustard Brown	✓	1 CAN		C P	✓	✓		✓	✓	22	✓	✓	✓	See Map (Page 56)		May 31	bus
Mustard Yellow	✓	1 CAN		C P	✓	✓		✓	✓	27	✓	✓	✓	See Map (Page 56)		May 31	bus
Mustard Oriental	✓	1 CAN		C P	✓	✓		✓	✓	22	✓	✓	✓	See Map (Page 56)		May 31	bus
Oats	✓	3 CW		C P O	✓	✓		✓	✓	27	✓	✓	✓			May 31	bus
Rye - Fall	✓	2CW		C P O	✓	✓		✓	✓	27	✓	✓	✓			N of Bow Sept 20 S of Bow Sept 30	bus
Rye - Spring	✓	2CW		C P O	✓	✓		✓	✓	27	✓	✓	✓			June 5	bus
Triticale - Winter	✓	2 CAN		C P O	✓	✓		✓	✓	27	✓	✓	✓			N of Bow Sept 20 S of Bow Sept 30	bus
Triticale - Spring	✓	2 CAN		C P O	✓	✓		✓	✓	27	✓	✓	✓			June 5	bus
Wheat - CPS	✓	2 CPS		C P O	✓	✓		✓	✓	27	✓	✓	✓			May 31	bus
Wheat - Durum	✓	2 CWAD		C P O	✓	✓	✓	✓	✓	27	✓	✓	✓	See Map (Page 55)		May 31	bus
Wheat - Extra Strong	✓	2 CWES		C P O	✓	✓		✓	✓	27	✓	✓	✓			May 31	bus
Wheat - HR Spring	✓	2 CWRS		C P O	✓	✓	✓	✓	✓	27	✓	✓	✓			May 31	bus
Wheat - HR Winter	✓	2 CWRW		C P O	✓	✓		✓	✓	27	✓	✓	✓			N of Bow Sept 20 S of Bow Sept 30	bus
Wheat - Canada Northern Hard Red	✓	2 CNHR		C P O	✓	✓		✓	✓	27	✓	✓	✓			May 31	bus
Wheat - Western Special Purpose	✓	1 CWSP		C P O	✓	✓		✓	✓	27	✓	✓	✓			May 31	bus
Wheat - SW Spring	✓	2 CWSWS		C P O	✓	✓		✓	✓	27	✓	✓	✓	See Map (Page 57)		May 31	bus
Wheat - SW Spring	✓	3 CWSWS		I	✓	✓		✓	✓	27	✓	✓	✓	See Map (Page 57)		May 31	bus

Program Specifics by Crop for Production Insurance
$25 Minimum Premium per Insurance Subscription

Eligible Crops and options	Coverage Levels: 50%, 60%, 70%, 80%, *90% (*sugar beets only)	Designated Grade	Minimum Acres to Insure	End Uses - Commercial (C), Pedigreed (P), Organic (O)	Dryland Fallow & Stubble	Insurable under Irrigation	Variable Price Benefit (VPB)	Unseeded Acreage Benefit	Reseeding Benefit (Excluded at 50% Coverage) Minimum 5 acre blocks. Does not apply to crops with an asterisk *	Unharvested (Snowed under)	Hail Endorsement (HE) (Excluded at 50% coverage)	Spring Price Endorsement (SPE) (Excluded at 50% Coverage)	Insurable Risk Area (RA) Restrictions	Seeding Deadline (Specified in the Contract)	Recommended Seeding Date Crops seeded past this date may not be eligible for quality loss	Unit that crops are normally reported (bushels, lbs, or tons)
Dry Beans Black/Other	✓	1 CAN	5	C P		✓	✓	✓	72	✓	✓	✓	Insure in RA 2, 3, 4, 9	June 10		lbs
Dry Beans Gr Northern	✓	1 CAN	5	C P		✓	✓	✓	72	✓	✓	✓	Insure in RA 2, 3, 4, 9	June 10		lbs
Dry Beans Pink	✓	1 CAN	5	C P		✓	✓	✓	72	✓	✓	✓	Insure in RA 2, 3, 4, 9	June 10		lbs
Dry Beans Pinto	✓	1 CAN	5	C P		✓	✓	✓	72	✓	✓	✓	Insure in RA 2, 3, 4, 9	June 10		lbs
Dry Beans Small Red	✓	1 CAN	5	C P		✓	✓	✓	72	✓	✓	✓	Insure in RA 2, 3, 4, 9	June 10		lbs
Dry Beans Yellow	✓	1 CAN	5	C P		✓	✓	✓	72	✓	✓	✓	Insure in RA 2, 3, 4, 9	June 10		lbs
Chickpeas Desi	✓	2 CW	5	C P	✓	✓	✓	✓	55	✓	✓	✓	See Map (Page 54)	May 25		lbs
Chickpeas Kabuli	✓	2 CW	5	C P	✓	✓	✓	✓	92	✓	✓	✓	See Map (Page 54)	May 25		lbs
Corn (grain)	✓	2 CW	5	C		✓	✓	✓		✓	✓	✓	See Map (Page 54)	May 15		bus
Faba Beans	✓	3 CAN	5	C P	✓	✓	✓	✓	50	✓	✓	✓	RA 3, 4 must irrigate	May 25		lbs
Lentils Green	✓	2 CAN	5	C P	✓	✓	✓	✓	42	✓	✓	✓		May 25		lbs
Lentils Red	✓	2 CAN	5	C P	✓	✓	✓	✓	42	✓	✓	✓		May 25		lbs
Potatoes - Seed Fry/Chip/Table	✓	Seed-Certified F/C/T- 2CAN	5		✓	✓		✓		✓	✓		RA 2, 3, 4 must irrigate	June 10		tons
Potatoes - Fry Late Russet Burbank	✓		5			✓		✓		✓	✓		Insure in RA 2, 3, 4	June 10		tons
Peas Field	✓	2 CAN	5	C P O	✓	✓	✓	✓	50 Com 64 Ped	✓	✓	✓		June 1		bus
Safflower	✓	Average	5	C	✓	✓	✓	✓	27	✓	✓	✓	See Map (Page 56)	May 15		lbs
Sunflowers - Confection	✓	Average	5	C	✓	✓	✓	✓	44 Dry 53 Irr	✓	✓	✓	Insure in RA 2, 3, 4	May 20		lbs
Sunflowers - Oil	✓	1 CAN	5	C	✓	✓	✓	✓	36 Dry 43 Irr	✓	✓	✓	Insure in RA 2, 3, 4	May 20		lbs
Sugar Beets	50-90		5	C		✓		✓	89	✓	✓		Insure in RA 2, 3, 4	June 7		tons
Ped Alfalfa (for seed)	✓	Cert 2	20	P	✓	✓					✓				See Contract	lbs
Creeping Red Fescue (for seed)	✓	Common 2 Cert 2	20	C P	✓						✓		RA 17-22 insurable		See Contract	lbs
Ped Timothy (for seed)	✓	Cert 2	20	P	✓						✓		RA 6-22 insurable		See Contract	lbs

Program Specifics by Crop for Production Insurance
$25 Minimum Premium per Insurance Subscription

Eligible Specialty Crops and options	Coverage Levels: 50%, 60%, 70%, 80%	Designated Grade	Minimum Acres to Insure	End Uses – Commercial (C), Fresh (F), Pedigreed (P), Special Oil (SO)	Dryland Fallow & Stubble	Insurable under Irrigation	Variable Price Benefit (VPB)	Unseeded Acreage Benefit	Reseeding Benefit (Excluded at 50% Coverage) Minimum 0.1 (1/10) of an acre blocks	Unharvested (Snowed Under)	Hail Endorsement (HE) (Excluded at 50% Coverage)	Spring Price Endorsement (SPE) (Excluded at 50% Coverage)	Risk Area (RA) Restrictions *See map, Horticulture Risk Areas in maps section	Seeding Deadline as specified in the Contract of Insurance or Horticulture Schedule of Rates	Unit that crops are normally reported (bushels, lbs, or tons)
Beans - fresh	✓	1 CAN	2	F		✓		✓	240	✓	✓		Insure in RA 1-9 *	RA 7, 9 May 30 RA 2-6, 8 June 15 RA 1 June 30	lbs
Broccoli	✓	1 CAN	2	F		✓		✓	385	✓	✓		Insure in RA 1-9 *	Transplant July 15 Direct Seed RA 3, 4, 8 May 30 RA 1, 2, 5, 6 June 15	lbs
Cabbage	✓	1 CAN	2	F	✓	✓		✓	300	✓	✓		RA 1-5 & 9 must irrigate	Late Varieties Direct Seed - May 10 Early Varieties Direct Seed - May 30 Transplant - June 30	tons
Carrots	✓	1 CAN	2	F	✓	✓		✓	350	✓	✓		RA 1-5 & 9 must irrigate	June 10	tons
Cauliflower	✓	1 CAN	2	F		✓		✓	335	✓	✓		Insure: Transplant in RA 1-9 * Direct Seed RA 1-6 & 8 *	Transplant June 30 Direct Seed RA 3, 4, 8 May 15 RA 1, 2 ,5, 6 May 30	lbs
Corn - fresh	✓	1 CAN	2	F	✓	✓		✓	160	✓	✓		RA 1-5 & 9 must irrigate	Dryland May 20 Irrigated May 30	tons
Cucumbers - pickling	✓	1 CAN	2	F		✓		✓	160	✓	✓		Insure in RA 1, 2, 5, 6 & 8*	RA 2, 6 May 30 RA 1, 5, 8 June 15	lbs
Cucumbers - slicing	✓	1 CAN	2	F		✓		✓	160	✓	✓		Insure in RA 1, 2 *	RA 2 May 30 RA 1 June 15	lbs
Onions	✓	1 CAN	2	F	✓	✓		✓	641	✓	✓		RA 1-5 & 9 must irrigate	Dryland May 5 Irrigated May 10	tons
Pumpkins - large	✓	1 CAN	2	F		✓		✓	100	✓	✓		Insure in RA 1, 2 *	Direct seed May 30 Transplant June 6	lbs
Pumpkins - medium	✓	1 CAN	2	F		✓		✓	100	✓	✓		Insure in RA 1, 2 *	Direct seed May 30 Transplant June 6	lbs
Pumpkins - small	✓	1 CAN	2	F		✓		✓	100	✓	✓		Insure in RA 1, 2 *	Direct seed May 30 Transplant June 6	lbs
Rutabagas	✓	1 CAN	2	F	✓	✓		✓	30	✓	✓		RA 1-5 & 9 must irrigate	June 30	tons
Winter Squash-large	✓	1 CAN	2	F		✓		✓	145	✓	✓		Insure in RA 1, 2 *	Direct seed May 30 Transplant June 6	lbs
Winter Squash - medium	✓	1 CAN	2	F		✓		✓	145	✓	✓		Insure in RA 1, 2 *	Direct seed May 30 Transplant June 6	lbs
Winter Squash - small	✓	1 CAN	2	F		✓		✓	145	✓	✓		Insure in RA 1, 2 *	Direct seed May 30 Transplant June 6	lbs

Program Specifics by crop for **Processing Vegetable** Insurance
Premium Surcharge/Discount does not apply
Crops must be contracted to a Processing Plant
Provides a Bi-Pass Benefit and Harvesting Allowance

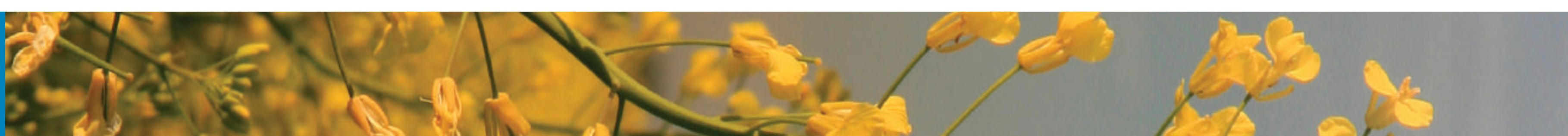
Eligible Crops	Coverage Levels: 70%, 80%	Designated Grade	Minimum Acres to Insure	End uses - Processing (Proc) and Organic (O)	Dryland Fallow & Stubble	Insurable under Irrigation	Variable Price Benefit (VPB)	Unseeded Acreage Benefit	Reseeding Benefit (Minimum 1 acre blocks)	Unharvested (Snowed Under)	Hail Endorsement (HE) (Excluded at 50% coverage)	Spring Price Endorsement SPE) (Excluded at 50% Coverage)	Insurable Risk Area (RA) Restrictions	Seeding Deadline (Specified in the Contract of Insurance)	Unit that crops are normlly reported (bushels, lbs, or tons)
Beans (Processing)	70, 80		5	Proc & O		✓		✓	Contact Office		✓		Insure in RA 2, 3, 4	June 30	tons
Carrots (Processing)	70, 80		5	Proc & O		✓		✓	Contact Office		✓		Insure in RA 2, 3, 4	June 10	tons
Corn (Processing)	70, 80		5	Proc & O		✓		✓	Contact Office		✓		Insure in RA 2, 3, 4	May 30	tons
Peas (Processing)	70, 80		5	Proc & O		✓		✓	Contact Office		✓		Insure in RA 2, 3, 4	June 20	tons

Program Specifics for **Honey** Insurance
Individual Coverage applies
Minimum 100 hives insured, must be viable and producing
Insured must be registered and operate under the regulations of the *Bee Act* of Alberta

Eligible Crop	Coverage Levels: 50%, 60%, 70%, 80%	Minimum Producing Hives	Insurable in Honey Risk Areas (RA) See map, Honey and Bee Overwintering Insurance in maps section	Unit that crops are normally reported
Honey	50, 60, 70, 80	100	RA 1, 2, 3, 4	lbs

Program Specifics for **Bee Overwintering** Insurance
Individual Coverage applies
Minimum 100 hives insured, must be viable and strong
Insured must be registered and operate under the regulations of the *Bee Act* of Alberta

Eligible Crop	Survival Rates (depending on Risk Area)	Minimum Overwintered Hives	Insurable in Bee Overwintering Risk Areas. See map, Honey and Bee Overwintering Insurance in maps section	Unit that crops are normally reported	Coverage Begins	Coverage Ends
Honey bees	70, 80%	100	RA 1, 2, 3, 4	Hives	November 1	May 15



Market Price Methodology to Calculate Fall Prices for Insured Crops*

Crop Insured ** (Grade)	***The methodology being used to calculate the fall market price for each crop is indicated below. It is intended to reflect the fall Alberta price for the crop being insured.***
Red Spring Wheat (2 CWRS)	Fall Market Price will be determined as the Fall Market Price for 2 CWRS 13% less the price discount of [2 CWRS 13% protein minus 2 CWRS 11.5% protein], expressed in $/kg, for the month of October as provided by Market Analysis Group, Agriculture & Agri-Food Canada.
High Protein Red Spring Wheat (2 CWRS 13%)	Fall Market Price will be determined as the simple average of the daily closing spot bid price provided by grain purchasing facilities designated in Northern Alberta for 1 CWRS 13.5 minus price discount for average grade spread [1 CWRS 13.5% - 2 CWRS 13%] for the month of October, converted to $/kg, as published on Price and Data Quotes (PDQ) website of Alberta Wheat Commission.
Hard Red Winter Wheat (2 CWRW)	Fall Market Price will be determined as the Fall Market Price for 2 CWRS 13% less the price premium/ discount of [2 CWRS 13% protein minus 2 CWRW], expressed in $/kg, for the month of October as provided by Market Analysis Group, Agriculture & Agri-Food Canada.
Northern Hard Red Wheat (2 CNHR)	Fall Market Price will be determined as the Fall Market Price for 2 CWRS 13% less the price discount of [2 CWRS 13% protein minus 2 CNHR] expressed in $/kg, for the month of October as provided by Market Analysis Group, Agriculture and Agri-Food Canada.
Soft White Spring Wheat (2 CWSWS)	Fall Market Price will be determined as the Fall Market Price for 2 CWRS 13% less the price premium/ discount of [2 CWRS 13% protein minus 2 CWSWS], expressed in $/kg, for the month of October as provided by Market Analysis Group, Agriculture & Agri-Food Canada.
Soft White Spring Wheat Industrial (3 CWSWS)	Fall Market Price will be determined as the Spring Price for Industrial Soft White Spring Wheat multiplied by the same percentage change in price between the Spring Price and Fall Market Price determined for Soft White Spring Wheat (2 CWSWS), expressed in $/kg.
Canada Prairie Spring Wheat (2 CPS)	Fall Market Price will be determined as the simple average of the daily closing spot bid price provided by grain purchasing facilities designated in Northern Alberta for 1 CPSR 11.5 minus price discount for average grade spread [1 CPSR 11.5% - 2 CPSR 11.5%] for the month of October, converted to $/kg, as published on Price and Data Quotes (PDQ) website of Alberta Wheat Commission.
Western Special Purpose Wheat (1 CWSP)	Fall Market Price will be determined as the Fall Market Price for 2 CWRS 13% less the price discount of [2 CWRS 13% protein minus CW Feed] expressed in $/kg, for the month of October as provided by Market Analysis Group, Agriculture and Agri-Food Canada.
Extra Strong Red Spring Wheat (2 CWES)	Fall Market Price will be determined as the Fall Market Price for 2 CWRS 13% less the price premium/ discount of [2 CWRS 13% protein minus 2 CWES], expressed in $/kg, for the month of October as provided by Market Analysis Group, Agriculture & Agri-Food Canada.
Durum Wheat (2 CWAD)	Fall Market Price will be determined as the Fall Market Price for 2 CWAD 13% less the price discount of [2 CWAD 13% protein minus 2 CWAD 11.5% protein], expressed in $/kg, for the month of October as provided by Market Analysis Group, Agriculture & Agri-Food Canada.
High Protein Durum Wheat (2 CWAD 13%)	Fall Market Price will be determined as the simple average of the daily closing spot bid price provided by grain purchasing facilities designated in Southern Alberta for 1 CWAD 13.0 minus price discount for average grade spread [1 CWAD 13.0% - 2 CWAD 13.0%] for the month of October, converted to $/kg, as published on Price and Data Quotes (PDQ) website of Alberta Wheat Commission.
Barley (1 CW)	Fall Market Price will be determined as the simple average of the weekly average Feed barley price in the N ALTA Region during the month of October, expressed in $/kg, as published on Price and Data Quotes (PDQ) website of Alberta Wheat Commission.
Malt Barley (1 CW); Oats (3 CW); Mixed Grain (Average); Rye Spring/Fall (2 CW); Triticale Spring/Winter (2 CAN)	The Fall Market Price for each of these crops will be determined as the Spring Price of the crop multiplied by the same percentage change in price between the Spring Price and the Fall Market Price determined for Barley (1 CW), expressed in $/kg.
Grain Corn (2 CW)	Simple average of the daily closing price of the December corn futures at the Chicago Board of Trade, converted to Canadian dollars (using the daily noon CDN/US exchange rate published by the Bank of Canada), for the month of October, expressed in $/kg, plus a basis adjustment of $0.035/kg.
Flax (1 CW)	The Fall Market Price will be determined as the simple average of the weekly price for Flaxseed in Central Alberta during the month of October, expressed in $/kg, as surveyed and published by Alberta Agriculture and Forestry in the Weekly Crop Market Review.
Canola (1 CAN)	Fall Market Price will be determined as the simple average of the daily closing spot bid price provided by grain purchasing facilities designated in Northern Alberta for 1 CDA Canola for the month of October, converted to $/kg, as published on Price and Data Quotes (PDQ) website of Alberta Wheat Commission.
Specialty Oil Canola (1 CAN)	The Fall Market Price will be determined as the Spring Price for Specialty Oil Canola multiplied by the same percentage change in price between the Spring Price and the Fall Market Price determined for Canola (1 CAN), expressed in $/kg.
Field Peas (2 CAN)	Fall Market Price will be determined as the simple average of the daily closing spot bid price provided by grain purchasing facilities designated in Northern Alberta for 2 Yellow Peas for the month of October, converted to $/kg, as published on Price and Data Quotes (PDQ) website of Alberta Wheat Commission.

Silage/Greenfeed	The fall market price determined for barley, expressed in $/kg. This applies to both the Barley Proxy option and the Lack of Moisture option
Grain Corn CHU	The fall market price determined for grain corn, expressed in $/kg.
Silage Corn CHU	The fall market price determined for barley, expressed in $/kg.
Black/Other Dry Beans (1 CAN) ***	The simple average of the weekly average grower price of Black dry beans in the North Dakota market, for the month of October, converted to Canadian dollars, expressed in $/kg.
Great Northern Dry Beans (1 CAN) ***	The simple average of the weekly average grower price of Great Northern dry beans in the Nebraska/ Wyoming market, for the month of October, converted to Canadian dollars, expressed in $/kg.
Pink Dry Beans (1 CAN) ***	The simple average of the weekly average grower price of Pink dry beans in the Idaho market, for the month of October, converted to Canadian dollars, expressed in $/kg.
Pinto Dry Beans (1 CAN) ***	The simple average of the weekly average grower price of Pinto dry beans in the N.E. Colorado market, for the month of October, converted to Canadian dollars, expressed in $/kg.
Small Red Dry Beans (1 CAN) ***	The simple average of the weekly average grower price of Small Red dry beans in the Idaho market, for the month of October, converted to Canadian dollars, expressed in $/kg.
Yellow Dry Beans (1 CAN) ***	The Fall Market Price will be determined as the Spring Price of Yellow Dry Beans multiplied by the same percentage change in price between the Spring Price and the Fall Market Price determined for Black Dry Beans (1 CAN), expressed in $/kg.
Desi Chickpeas (2 CW)	Simple average of the daily average grower bid spot price of 2 CW Desi chickpeas, for the month of October, expressed in $/kg, as published by STATpub.com.
Kabuli Chickpeas (2 CW – 8mm)	Simple average of the daily average grower bid spot price of 2 CW 8mm Kabuli chickpeas, or the equivalent price, for the month of October, expressed in $/kg, as published by STATpub.com.
Faba Beans (3 CAN)	The Fall Market Price will be determined as the Spring Price of Faba Beans multiplied by the same percentage change in price between the Spring Price and the Fall Market Price determined for Field Peas (2 CAN), expressed in $/kg.
Green Lentils (2 CAN)	Simple average of the daily average grower bid spot price of 2 CAN Laird lentils, for the month of October, expressed in $/kg, as published by STATpub.com.
Red Lentils (2 CAN)	Simple average of the daily average grower bid spot price of 2 CAN Small Red lentils, for the month of October, expressed in $/kg, as published by STATpub.com.
Brown/Oriental Mustard (1 CAN)	Half of the simple average of the daily average grower bid spot price of 1 CAN brown mustard, for the month of October, expressed in $/kg, plus half of the simple average of the daily average grower bid spot price of 1 CAN oriental mustard, for the month of October, expressed in $/kg, as published by STATpub.com.
Yellow Mustard (1 CAN)	Simple average of the daily average grower bid spot price of 1 CAN yellow mustard, for the month of October, expressed in $/kg, as published by STATpub.com.
Canary Seed	Simple average of the daily average grower bid spot price of Canary Seed, for the month of October, expressed in $/kg, as published by STATpub.com.
Safflower (Average)	The Fall Market Price will be determined as a farmgate price forecast for Safflower in Alberta, at the end of October, expressed in $/kg as provided by Market Analysis Group, Agriculture and Agri-Food Canada.
Sunflower – Confectionary (Average)	The Fall Market Price will be determined as a farmgate price forecast for Sunflower in Alberta, at the end of October, expressed in $/kg as provided by Market Analysis Group, Agriculture and Agri-Food Canada.
Sunflower – Oil (1 CAN)	The Fall Market Price will be determined as a farmgate price forecast of Sunflowers for oil in Alberta, at the end of October, expressed in $/kg as provided by Market Analysis Group, Agriculture and Agri-Food Canada.

* In the event that price information originating from published fall price methodology for an insurable crop(s) is not available or stops being available during the Fall Market Price period, at its best discretion, AFSC maintains the right to develop and implement an alternate price methodology for Fall Market Price determination to replace or augment pricing for that crop(s) in that year

** In order to calculate the fall market price for a pedigreed crop: the Spring Price for the pedigreed crop is multiplied by the same percentage change in price between the Spring Price and the Fall Market Price determined for the underlying commercial crop.

*** The Bean Market News of the United States Department of Agriculture is the source of the weekly price ranges used for these calculations. The weekly average price is the mid-point of the price range for the dry bean in question for the week, at the specified market. The exchange rate used to convert the weekly average price from US to CDN funds will be the noon exchange rate published by the Bank of Canada for the last day included in each weekly report. The weekly USDA reports used in the calculations will be those in which the last day included in the report ends in October.

Overview

New Crop Insurance Initiative (NCII) is an area-based program which provides protection to new and non-traditional crops that are not insurable under other AFSC insurance programs. Field inspections are not required for preharvest or post-harvest inspections. Field inspections are required for hail claims to assess damage for Hail Endorsement and Straight Hail Insurance, and a field inspection may be required for acres left unseeded. Clients need to contact AFSC in any of these circumstances.

AFSC reserves the right to deny insurance coverage to crops that are not considered to have a reasonable chance of harvest or where the cost of production cannot be determined for the crop.

Client eligibility

To qualify for NCII coverage, clients must have insured acres of the same land use for both NCII and Crop Insurance. For example, to qualify for irrigated coverage of an NCII crop, the client must have irrigated acres insured on their Crop Insurance subscription.

Fields insured under NCII will need to be within close proximity to the fields insured under Crop Insurance.

Insurable crops

The insurable crops under NCII include crops that AFSC does not currently offer production ‘type’ insurance coverage.

Current insurable crops under Crop Insurance that are grown under an organic production system are not insurable under this innovative crop coverage option. Insurable perennial seed crops will not be insurable in the year of establishment.

There may be limited information available for some of the crops that clients will want to insure. This may result in AFSC requiring considerable time to determine coverage. To maximize the possibility of providing insurance, clients are urged to request coverage on a crop as soon as the decision to grow a crop has been made. This will allow AFSC adequate time to calculate coverage and premium. The insurance sign-up deadline is April 30. The request for coverage does not commit a client to take insurance, it simply provides AFSC with the necessary time to determine coverage and premium.

Minimum acres

There is no minimum acreage requirement for a crop to be insured under NCII. Rather, there is a minimum $25 of actual calculated premium per insurance subscription.

Eligibility areas

The eligible areas will be determined on a crop-by-crop basis. AFSC reserves the right to not offer insurance coverage on crops that are not considered to have a reasonable chance of harvest. The viability criteria will be based on agronomic criteria such as days to maturity, etc.

Seeding deadlines

The seeding deadline for most crops insurable under NCII is June 20. However, if best management practices recommend an earlier date, a recommended seeding date may apply. Clients should contact their branch for the recommended seeding dates for crops that they wish to insure.

Coverage

Each crop type will have a coverage level calculated for it on a provincial level based on the specific costs for that crop. Dryland and irrigated acres will have different costs covered. This means that for the same crop type grown on dryland and under irrigation, there will be two coverage levels. For example, dryland soybeans will have different coverage than irrigated soybeans.

Initially, the coverage will be based on selected direct cost of production (CoP) associated with seedbed preparation, seeding, spraying, harvesting and a land opportunity cost factor. The specific costs are:
- Fertilizer, pesticide, herbicide;
- Seed and seed treatment;
- Fuel and oil;
- Utility and water cost associated with irrigation; and
- Land utilization cost.

Irrigation coverage

All acres of an elected crop must be insured, whether managed as irrigated or dryland, and each land use (dryland, irrigation) must be insured and stored separately.

Irrigated acres are insurable only when irrigated with an adequate source of water applied on a timely basis, and an Irrigation Log is maintained with dates and approximate amounts of rainfall and irrigation water applied to each field.

Individual coverage information

A client’s coverage will be updated based on the average of the yield records AFSC has recorded for that crop. Yield records for NCII will be gathered from the Harvested Production Reports (HPR) provided by the client.

Rules for yield records used

Individual coverage will use the available yield records when the client has grown and insured the crop:

- The average of up to five of the most recent yield records for a crop multiplied by the current market price of the commodity;
- Yields up to 10 years old can be used in the coverage calculation.

Start up

All crops insurable under NCII will start in a two-year start-up phase where coverage is based solely on the cost of production. As the client grows and insures the crop, the CoP values will be replaced with actual yield produced multiplied by the current year's market price for the commodity.

Cushioning and trending

Low yields will not be cushioned and yields will not be trended.

One-year lag

Actual yields are not available immediately for use as it takes time to gather and verify information. For example, a yield produced and reported in 2018 will not be available to calculate coverage for 2019; it will be used first to set coverage for 2020.

Updating coverage

The coverage that is based on the client's actual yields will be limited to 70 per cent of average yield.

Fallow and stubble

The insurance coverage will make no distinction between crops grown on fallow and stubble. However, the client will be required to report the fallow and stubble yields separately to ease the potential transition of the crop to the traditional production insurance program.

Hail Endorsement (HE)

Hail Endorsement offers spot-loss coverage for damage due to hail, accidental fire and fire caused by lightning. When this option is elected and the insured crop suffers a loss of 10 per cent or more, the client is eligible for a payment based on the percentage of loss on the damaged acres. Pages 45 and 46 provide more information on HE.

It is expected the HE will be offered on the majority of crops that are insurable under NCII. However, AFSC reserves the right not to provide HE coverage on crops where hail damage cannot be accurately assessed.

The final determination of the insurable crops will be based on On Farm Inspections' ability to assess hail damage on each specific crop. The same policies and procedures that apply to production insurance will apply here.

Designated perils

There are no specific designated perils for the crops insured under NCII.

Uninsured causes of loss

NCII is a proxy insurance and losses are based on crops insured under the client's Crop Insurance. There will be no circumstances that would require the application of uninsured causes.

Price

In the spring, AFSC will determine the cost of production value that will be offered for the start-up period.

Variable Price Benefit (VPB)

The VPB will not be offered to crops insured under NCII.

Spring Price Endorsement (SPE)

The SPE will not be offered to crops insured under NCII.

Premium and cost sharing

Federal and provincial governments support AgriInsurance programs by paying all administration expenses and sharing premium costs with clients.

Premium rates for NCII will be based on a methodology that is determined by AFSC's Actuarial, Analytics and Forecasting Department to reflect the risk of future losses. Premium rates may vary by risk area and land use.

Client premium is calculated by multiplying the dollar coverage by the client's share of the premium rate and applying any applicable premium adjustment. There will be two discounts that will apply to NCII:

Premium Adjustments & Discounts	
2%	Continuous Participation Discount applies after the first insurance year unless the client does not have NCII Coverage or NCII losses for one year, then it is zeroed and must be earned again
2%	An Early Payment Discount is applied to premium payments received by AFSC the later of June 25 or within 15 days of each version's billing date

Indemnity

The losses on insured crops consider whether the crop is grown under dryland or irrigation, and are based on the total dollar loss divided by total dollar coverage, for dryland and irrigated separately, that a client experiences for the current year on the crops already insured under their Crop Insurance.

Liability (dollar coverage) calculation

If the dollar coverage for a specific NCII crop is $300 per acre and the number of acres insured is 200, then the liability is:

$300 per acre x 200 acres = $60,000

Indemnity calculation

The Crop Insurance losses and dollar coverage used in the calculation will be based on the coverage level selected for each crop. The losses and the coverage will include the impacts of both the Variable Price Benefit and quality loss under Crop Insurance. The losses and coverages will not be restated to a common coverage level.

In this example, if a client had $60,000 of total coverage under NCII, and insured three crops under production insurance, the indemnity will be determined as follows:

Crop	Total Annual Crop Indemnity	Total Annual Crop Coverage	NCII Indemnity Rate
Canola	$30,000	$40,000	
Peas	$26,000	$30,000	
HRSW	$64,000	$80,000	
Total	**$120,000**	**$150,000**	
Loss % (Indemnity / Coverage)			**80%**

The client would receive an indemnity of:
$60,000 x 80% = $48,000

Inspections

This section highlights eligibility criteria and administration procedures and/or client responsibilities for:

- Unseeded Acreage Benefit;
- Hail damage claims;
- Wildlife Damage Compensation Program; and
- Routine inspections.

A Reseeding Benefit will not be offered to crops insured under NCII.

Unseeded Acreage Benefit

The Unseeded Acreage Benefit is included with NCII and the cost will be included in the NCII premium so a separate premium is not required for unseeded acres.

The Unseeded Acreage Benefit provides compensation on a spot-loss basis for acres unseeded due to excess moisture as of June 20. This benefit is intended to partially compensate clients for the direct and indirect costs of seedbed preparation when seeding is prevented due to excess moisture.

Basic eligibility criteria

To qualify for this benefit, clients must have both active Crop Insurance and NCII contract and acres must be unseeded as of June 20 due to excess moisture. The total number of acres intended to be seeded to NCII crops must have been declared by April 30.

Unseeded Acreage Benefit is limited by the acres reported. Acres will not be adjusted after the April 30 deadline, unless AFSC receives written proof by June 1 that additional land was purchased or rented between May 1 and May 31.

There is a five per cent deductible on all cultivated acres per quarter section. To qualify for the benefit, the unseeded acreage must be land that meets a least one of the following criteria:

- Intended to be seeded to NCII crops;
- In hay or pasture the previous year and that was either worked or sprayed at a rate sufficient to kill that crop and intended to seed to an NCII crop in the current year;
- Seeded to a fall crop intended for harvest in the claim year;
- Unharvested (snowed under) the previous year and is intended to be harvested in the spring prior to seeding a spring crop.

Note: AFSC may deny coverage on land where flooding or excessive moisture is a recurring problem.

Levels of payment

There are four levels of payment and each level has different eligibility requirements:

- **Level 1:** Dryland $49 per acre - compensates for direct costs (rent, land taxes and interest), land preparation (cultivation, harrowing, herbicide application and chemical fallow) and following year maintenance;
- **Level 2:** Dryland $108 per acre - compensates for Level 1 costs plus pre-plant incorporation of fertilizers (confirmation receipts may be required);
- **Level 3:** Irrigated $107 per acre - compensates for direct costs (rent, land taxes and interest), irrigation water rights and following year land maintenance;
- **Level 4:** Irrigation $179 per acre - compensates for Level 3 plus pre-plant incorporation of fertilizers (confirmation receipts may be required).

Benefits are capped at the lesser of $108 per acre for dryland and $179 per acre for irrigated acres, or the equivalent to 50 per cent coverage for the client's predominant dryland and irrigated crops on their Crop Insurance.

Note: Payments under the Unseeded Acreage Benefit for NCII will not impact the premium adjustment under the Crop Insurance policy.

Hail and fire damage

The Hail Endorsement and Straight Hail Insurance provide spot-loss coverage for damage due to hail, accidental fire and fire by lightning. When the insured crop suffers a loss of 10 per cent or more, the client is eligible for a payment based on the percentage of loss on the damaged acres.

Clients who purchase the Hail Endorsement or Straight Hail Insurance, including Auto-Elect Straight Hail, must report a loss within 14 days after the day the crop was damaged by hail or fire.

Clients are to check insured fields to identify the damaged areas prior to filing a hail claim and are expected to take the inspector to damaged fields when the damage assessment is completed.

Wildlife Damage Compensation Program

AFSC regulations require that wildlife compensation applies to all commercially grown cereal, oilseed, special and other crops that can be insured under the production and Straight Hail Insurance programs.

- A non-refundable appraisal fee of $25 per inspection is required for each section of land (or portion thereof) on which the damage has occurred.

Routine inspections

AFSC will require access to fields insured under NCII to gather agronomic information for future use.

Renewals

Clients who purchased NCII in the previous year will be automatically renewed based upon the previous year's information. Personalized renewal notices are available in March. It is the client's responsibility to review the information. If changes are required, they must complete the Change Request form and return the form to an AFSC insurance representative by mail, fax, email, in person or request changes by phone by April 30.

Clients must report the number of acres intended to be insured under NCII by April 30. Provided the crop is eligible, the Hail Endorsement may be elected with NCII by April 30, and Straight Hail Insurance can be purchased throughout the growing season.

Cancellations

NCII is continuous and remains in effect from year to year unless cancelled in writing or on a Change Request form by the client on or before April 30.

New clients

It is recommended that new clients make a request for coverage under the New Crop Insurance Initiative (NCII) as soon as a decision is made to grow the crop. A request for coverage is not a purchase commitment. AFSC will evaluate eligibility for insurance. Required information includes Social Insurance Number or Business Number, legal land descriptions where NCII crops will be grown and the number of acres on each land location.

Deferrals

Clients must notify their branch to defer an indemnity, prior to any indemnities being issued.

Land Report and Statement of Coverage and Premium

Clients must contact their branch and complete a separate NCII Land Report once seeding is finished or by June 20, along with their Crop Insurance Land Report.

Land information is keyed to generate a Statement of Coverage and Premium which explains coverage, premium and states AFSC's liability limit. Clients should review the billing carefully to ensure it is complete and accurate. Errors and omissions must be reported to AFSC within 15 calendar days of receipt. AFSC reserves the right to deny additional liability when information contained on the Statement of Coverage and Premium reflects what is reported on the Land Report.

Unseeded Acreage Benefit

Clients should contact a branch to file their Land Report and report any unseeded acres no later than June 20 with the following information:

- All legal land locations (reported separately by quarter section) that have unseeded acres
- For each quarter section:
- Total number of cultivated acres;
- Number of dryland unseeded acres, and irrigated unseeded acres;
- Number of acres seeded;
- Number of acres intended for summerfallow;
- Number of acres in hay and pasture;
- Number of acres released for reseeding that could not be reseeded due to excessive moisture; and
- Whether or not fertilizer was applied, on a field by field basis.

AFSC will verify the total number of acres that qualify for an unseeded acreage claim and determine the level of payment by confirming field preparation expenditure.

Hail and fire damage

For damage of 10 per cent or more under either Hail Endorsement or Straight Hail Insurance programs, clients must contact AFSC within 14 calendar days of the hailstorm or fire.

AFSC requires the following information when a report of hail damage is filed:

- The legal location and number of acres effected;
- The date, time, duration, and direction of the storm;
- The size of the hailstones and general conditions (strong wind, heavy rains, etc.); and
- Estimate of the percentage of damage for each crop.

Clients should inspect fields, identify hail damaged areas, and accompany the inspector to damaged acres. Inspectors may wait to adjust a claim so that damage is more accurately identified. Claims may be deferred if crops are not sufficiently mature for accurate damage to be assessed.

If the crop is damaged when mature enough to swath or harvest, clients may be advised to leave representative inspection strips or swaths for inspectors to use to assess the damage. For information on size and number of strips, see Inspection Strips on page 11.

NCII Harvested Production Report (HPR)

A separate NCII HPR is required to be completed by the client along with their Crop Insurance HPR. Production for NCII crops must be stored separately from other production, otherwise production will be prorated and the yield for the crop will not be used to update NCII coverage.

AFSC will be requesting additional information regarding seeding, spraying and harvesting of new crops. If a client refuses to provide the required yield and/or organic information, the yield will not be used for the updating of their coverage, and AFSC, in its discretion, may deem other actions necessary.

Overview

Area-based programs are an alternative for silage crops and do not require preharvest or post-harvest field inspections. Field inspections are required for hail to assess damage for Hail Endorsement and Straight Hail Insurance, and field inspections are usually required to release acres for reseeding and for acres left unseeded. Clients need to contact AFSC in any of these three circumstances.

Since individual production does not trigger the loss, the list of crops that can be insured as silage under an area-based approach can be expanded from those eligible under a production-based design.

This section outlines the two area-based Silage Greenfeed Insurance options for crops grown for silage and greenfeed:

- Barley Proxy (BP)
- Lack of Moisture (LOM)

Insurable crops

Crops seeded for the purpose of silage or greenfeed:

- All fall, winter and spring cereals
- Corn
- Peas
- Faba beans
- Lupines
- Italian rye grass
- Annual rye grass
- Millet
- Sorghum
- Sorghum - Sudan grass
- Feed turnips
- Any percentage mixture of the above crops. Fields are insured based upon the majority crop type in the mix:
    - Cereal mix
    - Pulse mix

Coverage

Coverage, regardless of the option chosen, is equal to the 80 per cent coverage level offered for barley under the production insurance program at the spring insurance price. The township barley dollar coverage applies to all the silage and greenfeed crops except corn, which has an additional $50 per acre coverage. See each option for a more in depth description of coverage.

Clients who intend to harvest some of the acres as grain and harvest a portion as silage or greenfeed can insure under both production insurance and the Silage Greenfeed Insurance program.

Additional insurance available

Hail Endorsement (HE) offers spot-loss payments for damage due to hail, accidental fire and fire caused by lightning. When this option is purchased and the insured crop suffers 10 per cent or more damage, the client is eligible for a payment, based on the percentage of loss on the damaged acres.

Auto-Elect Straight Hail offers an option to purchase Straight Hail Insurance at the same time coverage is elected for Silage Greenfeed on or before April 30, and in advance of seeding crops.

Price

Variable Price Benefit (VPB)

For both options, the VPB is automatically included and compensates clients in a loss situation when the fall market price of barley increases 10 per cent or more from the spring insurance price to the fall market price. The VPB is limited to a maximum increase of 50 per cent above the spring insurance price set for barley under production insurance.

Barley is used as a proxy for Silage Greenfeed crops because, historically, the price of silage tends to move with barley.

Spring Price Endorsement (SPE)

SPE offers protection for within-year price declines of more than 10 per cent between the spring insurance price and the fall market price. The SPE is limited to a 50 per cent change. Once SPE is triggered, it will pay back up to 90 per cent of the spring insurance price on production produced, or deemed to be produced, up to the coverage elected. Refer to pages 42 to 44 for further information and examples.

Premium and cost sharing

Federal and provincial governments support AgriInsurance programs, including Silage Greenfeed, Lack of Moisture and Barley Proxy options by paying all administration expenses and sharing premium costs with clients.

Premium rates are set annually and reflect AFSC's risk of future losses.

For the Barley Proxy option, premium rates are based on the area-wide production losses of feed grains under Annual Crop Insurance.

For the Lack of Moisture option, premium rates are based upon long term weather station data. Premium rates vary by weather station.

For both options, client premium is calculated by multiplying the dollar coverage by the client's share of the premium rate and applying any applicable discounts.

Premium Adjustments & Discounts	
2%	Continuous Participation Discount applies after the first insurance year unless the client does not have coverage or losses for one year, then it is zeroed and must be earned again
2%	An Early Payment Discount is applied to premium payments received by AFSC the later of June 25 or within 15 days of each version's billing date

Inspections

Reseeding

Crops insured under the Silage Greenfeed Insurance program are eligible for the Reseeding Benefit if they are eligible under Crop Insurance.

The cost of the Reseeding Benefit is included with Silage Greenfeed Insurance premium, so separate premium is not required for reseeded acres.

The Reseeding Benefit provides compensation on a spot-loss basis for acres damaged on or before June 20 by designated perils, and is intended to partially compensate clients for the cost of reseeding the original crop.

The reseeding claim is paid according to the amount of the benefit payable on the original insured crop. The reseeded crop can be insured provided it was elected before April 30 and seeded according to seeding guidelines, and by the seeding deadline for the crop to which the acres were reseeded.

There is no limit to the number of reseeding claims that can be submitted on the same land. However, AFSC will only pay on land that has been released for reseeding.

Reseeded acreage benefit values and minimum acreage requirements for all insurable crops are listed in the Program Specifics Table on pages 18 to 21.

Unseeded Acreage Benefit

The Unseeded Acreage Benefit is included with Silage Greenfeed Insurance.

The cost of the Unseeded Acreage Benefit is included with Silage Greenfeed Insurance premium, so separate premium is not required for unseeded acres.

The Unseeded Acreage Benefit provides compensation on a spot-loss basis for acres unseeded due to excess moisture. This benefit is intended to partially compensate clients for the direct and indirect costs of seedbed preparation when seeding is prevented due to excess moisture.

- Barley Proxy: acres that remain unseeded as of June 20.
- Lack of Moisture: acres that remain unseeded as of July 15.

Basic eligibility criteria

To qualify for this benefit, clients must have an active area-based insurance contract and acres must be unseeded due to excess moisture.

The total number of acres intended to be seeded must have been declared by April 30. Land that is rented or purchased after April 30 but before June 1 is eligible with written proof (a copy of the signed rental agreement or bill of sale) if submitted to AFSC by June 1.

There is a five per cent deductible on all cultivated acres per quarter section.

To qualify for this benefit, the unseeded acreage must be land that meets at least one of the following criteria:

- Intended to be seeded for crop, silage and/or greenfeed (insured and uninsured);
- In hay or pasture the previous year and that was either worked or sprayed at a rate sufficient to kill that crop and intended to seed to a spring crop in the current year (insured and uninsured);
- Unharvested (snowed under) the previous year and is intended to be harvested in the spring prior to seeding a spring crop;
- Qualify for a Reseeding Benefit and could not be reseeded on or before June 20 due to excessive moisture.

Note: AFSC may deny coverage on land where flooding or excess moisture is a recurring problem.

Levels of payment

There are four levels of unseeded acreage benefit payments and each level has different eligibility requirements:

- **Level 1:** Dryland $49 per acre - compensates for direct costs (rent, land taxes and interest), land preparation (cultivation, harrowing, herbicide application and chemical fallow) and following year land maintenance;
- **Level 2:** Dryland $108 per acre - compensates for Level 1 costs plus pre-plant incorporation of fertilizers (confirmation receipts may be required);
- **Level 3:** Irrigated $107 per acre - compensates for direct costs (rent, land taxes and interest), land preparation, (cultivation, harrowing, herbicide application and chemical fallow), irrigation water rights and following year land maintenance;
- **Level 4:** Irrigated $179 per acre - compensates for Level 3 costs plus pre-plant incorporation of fertilizers (confirmation receipts may be required).

Benefits are capped at the lesser of $108 per acre for dryland and $179 per acre for irrigated acres; or 50 per cent coverage level offered under production insurance program for the client's predominant dryland and irrigated crops.

Note: Payments under the Unseeded Acreage Benefit can impact premium adjustments under production insurance.

Hail and fire damage

The Hail Endorsement and Straight Hail Insurance provide spot-loss coverage for damage due to hail, accidental fire and fire by lightning. When the insured crop suffers a loss of 10 per cent or more, the client is eligible for a payment based on the percentage of loss on the damaged acres.

Clients who purchase the Hail Endorsement or Straight Hail Insurance, including Auto-Elect Straight Hail, must report a loss within 14 days after the day the crop was damaged by hail or fire.

Clients are to check insured fields to identify the damaged areas prior to filing a claim and are expected to take the inspector to damaged fields when the damage assessment is completed.

Barley Proxy Option (BP)

Coverage

Coverage is available in all 22 risk areas of the province for dryland or irrigated crops and is based on the 80 per cent coverage level offered for barley under Crop Insurance.

Designated Perils

Damage caused by designated perils to the insured feedgrains in the immediate geographic area (proxy area).

Indemnity

Compensation for barley proxy losses is based on the claim rate of feedgrains clients insured under crop insurance in the immediate geographic area (proxy area).

Feedgrains are defined as barley, mixed grain, oats, spring rye and spring triticale.

The proxy area for the BP option depends on the number of clients insuring feedgrains under production based insurance. The proxy area is:

- The township where silage and greenfeed is grown if there are at least six clients insuring feedgrains under Crop Insurance in that township; or
- If there are fewer than six clients insuring feedgrains in the township, the size of the proxy area is increased by adding surrounding townships until it contains at least six clients insuring feedgrains under Crop Insurance.

The claim rate for the proxy area is based on:

- The total production coverage at the 80 per cent level for all feedgrains insured by clients under Crop Insurance in the proxy area, and
- The total production, excluding grade adjustments, for all feedgrains clients insured under Crop Insurance in the proxy area.

Note: Grade is not considered in the proxy option because, in most cases, factors that affect grade occur after the time that crops have been cut for feed.

Example Claim Rate Calculation in Proxy Area:

Experience of clients who insured feedgrains under Crop Insurance in the proxy area

Client	Acres Insured	Coverage (bushels per acre adjusted to 80% coverage level)	Total Yield Coverage (bushels)	Actual Yield Before Grade (bushels)
1	160	52	8,320	5,000
2	640	68	43,520	20,000
3	80	47	3,760	4,000
4	1,200	57	68,400	30,000
5	320	44	14,080	7,000
6	40	52	2,080	1,000
7	150	52	7,800	4,021
Total			147,960	71,021

Assumption: Client's coverage is $150 per acre on 200 acres of silage = $30,000 total coverage

1. Township Barley Claim Rate at 80% Coverage
   = [(147,960 – 71,021) ÷ 147,960] x 100
   = 52%

2. Client's Claim Calculation
   = $30,000 x 52%
   = $15,600

In the example above, the proxy area has seven clients insuring feedgrains under Crop Insurance. Their total production coverage is 147,960 bushels, and their actual production for the year is 71,021 bushels, indicating a production loss of 52 per cent compared to the total production coverage for the program.

If the total dollar coverage for a client under the proxy option was $30,000 ($150 per acre x 200 acres), the client would receive an indemnity payment of $15,600 ($30,000 x 52%).

VPB Example for Barley Proxy Option for Silage Greenfeed:

Additional Assumptions:

- The spring insurance price used for Crop Insurance for 1CW Barley is $3 per bushel
- The fall market price for 1CW Barley is $3.75 per bushel; and
- The payment rate for Barley Proxy is 52% (from our previous example)

Dollar Coverage	Fall Market Price Relative to Spring Insurance Price	Adjusted Dollar Coverage	Payment Rate (% of $ Coverage)	Claim Amount
$30,000	25%* ($3.75 / $3)	$37,500 ($30,000 x 25%)	52%	$19,500 ($37,500 x 52%)

*25% is within the maximum allowable increase in dollar coverage under VPB of 50%.

The example above shows how the VPB increases coverage for the previous BP example. The payment rate remains the same at 52% because it is determined by the current year's feedgrains insured under Crop Insurance. The dollar coverage increases because there was at least a 10% increase in barley prices from spring to fall. The insurance payment is increased as the result of the VPB but only because there was also a loss for feedgrains under Crop Insurance. If the circumstance had been no loss, there wouldn't be a payment, regardless of the fall market price.

Lack of Moisture option (LOM)

Coverage

Coverage is available for dryland crops in all 22 crop risk areas in the province. The Lack of Moisture option compensates clients when accumulated moisture at a selected weather station(s) falls below 80 per cent of the historical moisture (normal) at that weather station(s). The greater the shortfall of moisture, the higher the payment rate.

There are four points clients need to consider when insuring with the LOM option:

- **Weather station(s)** - Clients choose up to three weather stations from the network of eligible weather stations for insurance which best represent the conditions on their farm (see Weather Station Network maps under www.afsc.ca);
  - If more than one weather station is elected, the premium and payment rate will be the average of the premium and payment rates for the stations elected.
- **Moisture components -** The insurance policy includes precipitation from available options of May, June, July, and August.
- **Weighting** is the degree to which the moisture components will count in the insurance policy. Weighting options are illustrated in the Weighting Options table on this page.
- **Insured acres** - Clients are required to elect the number of acres they intend to insure under the LOM option by the April 30 deadline and report the location and number of acres seeded and intended to be seeded by June 20.

The client must report the number of acres they intend to insure by April 30 and will be billed within plus or minus 10 per cent of that number whether the acres are seeded or not. The Statement of Coverage and Premium will be based upon the average premium of the acres that were seeded.

Weather stations

A network of weather stations is established across the province. The long-term normal precipitation for weather stations is available to clients.

Several weather station sources are used to gather precipitation data for the LOM option, including: Environment Canada, and the Alberta Ministries of Agriculture and Forestry (AF), Environment, and Sustainable Resource Development. All precipitation data used for this program is checked and validated by AF.

Only rainfall from May to August is considered for LOM. Rainfall for the current year is compared to historical rainfall (normal) for the same growing period at the weather station(s) selected to determine a claim.

Rainfall used to calculate a claim payment for the current year is limited by the following rules:

- Daily rainfall is limited to that month's normal monthly precipitation from past years' records for the weather station(s); and
- The current year monthly rainfall is limited to 1.5 times that month's normal rainfall.

LOM Weighting Options for Silage Greenfeed Insurance

Options	May Precipitation (%)	June Precipitation (%)	July Precipitation (%)	August Precipitation (%)
A	20	40	40	0
B	15	35	35	15
C	0	20	40	40

Indemnity

Precipitation is recorded at the weather station(s) selected. Precipitation in millimeters (mm) at the weather station for the current year is compared to the normal precipitation in mm recorded for the same weather station(s). Both the actual and normal amounts are weighted by the option selected at the same weather station(s). This comparison describes a 'percentage of normal', which, if less than the threshold of 80 per cent of normal, initiates a claim payment.

The Payment Schedule table on the following page shows how the payment increases as current year's moisture falls below the threshold. Every client who chooses the same weather station(s) and moisture weighting option will receive the same payment rate.

Payment Schedule for the LOM Option of Silage Greenfeed Insurance			
Annual Precipitation Payment Rate (% of Normal)	Payment Rate (% of $ Coverage)	Annual Precipitation (% of Normal)	Payment Rate (% of $ Coverage)
>=80	0	>=54 & <56	47.0
>=78 & <80	3.5	>=52 & <54	51.0
>=76 & <78	7.0	>=50 & <52	55.0
>=74 & <76	10.5	>=48 & <50	59.0
>=72 & <74	14.0	>=46 & <48	63.0
>=70 & <72	17.5	>=44 & <46	67.0
>=68 & <70	21.0	>=42 & <44	71.0
>=66 & <68	24.5	>=40 & <42	75.0
>=64 & <66	28.0	>=38 & <40	80.0
>=62 & <64	31.5	>=36 & <38	85.0
>=60 & <62	35.0	>=34 & <36	90.0
>=58 & <60	39.0	>=32 & <34	95.0
>=56 & <58	43.0	>=30 & <32	100.0
Note: >= means “greater than or equal to” and < means “less than”			

Indemnity Calculation Example for LOM Option A					
	May Moisture	June Moisture	July Moisture	August Moisture	Total
Measured Moisture	60	60	10	25	
Normal Moisture	80	50	30	20	
Monthly Weighting	20	40	40	0	100
Weighted % of Normal	15.0%	48.0%	13.3%	0.0%	76.3%

Assumption:
Client’s coverage is $150 per acre on 200 acres of silage = $30,000 total coverage

1. Coverage is weighted across the months of May to July
   20% (May) + 40% (June) + 40% (July)

2. Calculate the payment using the information in the table above at the weather station selected using the weighting for Option A.

   Weighted % of Normal for May
   = Measured Moisture / Normal Moisture x Monthly Weighting
   = 60 / 80 x 20%
   = 15.0%

   The sum of the monthly weighted % of normal = cumulative weighted % of normal = 76.3%.

3. The Payment Schedule on this page displays the payment rate for each percent of Normal Moisture. The payment rate for 76.3% of normal is 7.0%

4. The calculated indemnity
   = total coverage x payment rate
   = $30,000 x 7.0%
   = $2,100

VPB Example for Lack of Moisture Option for Silage Greenfeed:

Additional Assumptions:

- The Spring Insurance Price used for Crop Insurance for Barley is $3 per bushel;
- The Fall Market Price for 1CW Barley is $3.75 per bushel; and
- The payment rate for LOM is 7% (from our previous example).

Dollar Coverage	Fall Market Price Relative to Spring Insurance Price	Adjusted Dollar Coverage	Payment Rate (% of $ Coverage)	Claim Amount
$30,000	25%* ($3.75 / $3)	$37,500 ($30,000 x 25%)	7%	$2,625 ($37,500 x 7%)

* 25% is within the maximum allowable increase in dollar coverage under VPB of 50%.

The example above shows how the VPB increases coverage for the previous LOM example. The payment rate remains the same at 7% because it is determined by the current year's moisture relative to normal. The dollar coverage increases because there was at least a 10% increase in barley prices from spring to fall. The insurance payment is increased as the result of the VPB but only because there was also a loss due to low moisture. If the circumstance had been no loss, there wouldn't be a payment, regardless of the fall market price.

Renewals

Clients who purchased Silage Greenfeed Insurance will be automatically renewed based upon the previous year's information excluding number of elected acres. Personalized renewal notices are available in March. Clients are responsible to review the information, complete the Change Request Form online if changes are required or return the form to an AFSC insurance representative by mail, fax, email, in person or request changes by phone by April 30. Clients must report the number of acres intended to be insured as silage by April 30.

The Hail Endorsement may be purchased with Silage Greenfeed Insurance, by April 30. Auto-Elect Straight Hail may be purchased by April 30. Straight Hail Insurance can be purchased throughout the growing season.

Cancellations

Silage Greenfeed Insurance is continuous and remains in effect from year to year unless cancelled in writing or on a Change Request form by the client on or before April 30.

New clients

New clients must apply for Silage Greenfeed Insurance on or before April 30 and AFSC will evaluate eligibility for insurance. Required information includes Social Insurance Number or Business Number, legal land description of land silage greenfeed crops will be grown on and the number of acres on each location. Clients will need to select weather station(s), a coverage option, the number of acres intended for seeding to Silage Greenfeed and can elect Hail Endorsement, Spring Price Endorsement and Auto-Elect Straight Hail option.

Deferrals

Clients must notify their branch to defer an indemnity, prior to indemnities being issued.

Land Report and Statement of Coverage and Premium

A Land Report must be filed by June 20, stating the crops, locations and number of acres that are seeded and acres intended to be seeded.

- Barley Proxy: Acres seeded by June 20 are eligible for insurance.
- Lack of Moisture: Acres seeded and intended to be seeded by July 15 are eligible for insurance.

Silage Greenfeed land information is keyed to generate a Statement of Coverage and Premium (billing) which explains coverage and premium and reflects AFSC's liability limit. Clients should review the billing carefully to ensure it is complete and accurate. Errors and omissions must be reported to AFSC, within 15 days of receipt. Accuracy is important. AFSC reserves the right to deny additional liability when information contained on the Statement of Coverage and Premium reflects what is reported on the Land Report.

Seeding deadlines

Barley Proxy - June 20 for all crops.

Lack of Moisture - The seeding deadline for all crops is July 15. The Land Report must be filed by June 20 on acres seeded as well as the locations and number of acres that are intended for seeding between the time the land report is filed, and July 15. When finished seeding, and not later than July 18, if seeded acres differ from reported acres, the client must phone the AFSC branch office to revise the total seeded acres. Clients will be billed based upon reported acres limited to plus or minus 10 per cent of elected acres.

Seeded acres change from elected acres (LOM)

If seeded acres are:

- Within plus or minus 10 per cent of elected acres, the client is billed and insured for what is seeded;
- Less than 90 per cent of elected acres, the client is billed for 90 per cent of the acres elected, and indemnities are based on seeded acres; and
- More than elected acres, coverage is limited to 110 per cent of the elected acres, and the client is billed for 110 per cent of the elected acres.

Exception: If crops are eligible for the Unseeded Acreage Benefit, the client will be billed for the acres actually seeded to eligible Silage Greenfeed crops.

Reseeding

Clients are required to notify AFSC of intent to reseed an insured crop. Clients should contact their branch prior to reseeding and on or before June 20, and provide the following information:

- Legal land locations;
- Insured crop that is damaged;
- Crop intended to be reseeded;
- Number of acres to be reseeded; and
- The cause of loss.

Either an inspector will inspect the acres to be reseeded or approval will be given by the branch to reseed.

Once reseeding is complete, the branch must be contacted, and an inspector will confirm the actual number of released acres prior to payment.

Note: For both Barley Proxy and Lack of Moisture options, reseeding benefits do not apply to crops reseeded after June 20.

Unseeded Acreage Benefit

Barley Proxy: Clients should file their Land Report no later than June 20 to file an unseeded acreage claim for acres that remain unseeded due to excess moisture.

Lack of Moisture: Clients should file their Land Report no later than June 20 to file an unseeded acreage claim for acres that are unseeded due to excess moisture. Clients also need to confirm with the branch that reported acres remained unseeded due to excess moisture after July 15.

For both BP and LOM, provide the following information:

- All legal locations (reported separately by quarter section) that have unseeded acreage;
- For each quarter-section:
  - Total number of cultivated acres;
  - Number of dryland unseeded acres and irrigated unseeded acres;
  - Number of acres seeded;
  - Number of acres intended for fallow;
  - Number of acres in hay and pasture;
  - Number of acres which could not be reseeded due to excessive moisture; and
  - Whether or not fertilizer was applied, on a field-by-field basis.

AFSC will verify the total number of acres that qualify for an unseeded acreage claim and determine the level of payment by confirming field preparation expenditures.

Hail and fire damage

For damage of 10 per cent or more under either the Hail Endorsement or the Straight Hail Insurance program, an AFSC branch office must be contacted within 14 calendar days of the hailstorm or fire.

AFSC requires the following information when a report of hail damage is filed:

- The date, time, duration, and direction of the storm;
- The size of the hailstones and general conditions (strong wind, heavy rains, etc.);
- The number of acres affected, legal location; and
- Estimate of the percentage of damage for each crop.

Clients should inspect fields, identify damaged areas, and be able to accompany the inspector to damaged acres. Inspectors may wait to adjust a hail claim so that damage is more accurately identified. Claims may be deferred if crops are not sufficiently mature for accurate damage to be assessed.

If the crop is damaged when mature enough to swath or harvest, clients may be advised to leave representative inspection strips or swaths for inspectors to use to assess the damage. For information on size and number of strips, see Inspection Strips on page 11.

Overview

Corn Heat Unit (CHU) Insurance is an area-based program which provides protection against a lack of heat for irrigated corn. Actual production of corn on the farm does not affect a claim payment.

Insurable crops

Irrigated corn grown for grain and silage.

Coverage

Grain corn and silage corn are treated as separate crops, so a client can choose to insure one or the other, or to insure both. Once elected though, the entire acreage of that crop must be insured.

CHUs are calculated from temperature measured at the insurable weather stations on a daily basis beginning on May 15. CHUs for the growing season are the total of the daily calculations. The daily calculations continue to accumulate until the earlier of the first killing frost, defined as a temperature of less than or equal to -2°C, or September 30, after a minimum of 700 corn heat units have accumulated, usually by late June.

CHU formula:
The Celsius-based formula used to calculate daily CHUs is:
$[1.800 (C1 - 4.4) + 3.330 (C2 - 10) - 0.084 (C2 - 10) 2] \div 2$

Where:
C1 is the daily Celsius minimum temperature (set at 4.4 if C1 is less than 4.4); and

C2 is the daily Celsius maximum temperature (set at 10 if C2 is less than 10).

The lowest daily value for a CHU is 0.

Weather stations
Clients choose an insurable weather station near their farm that best represents the temperatures on their farm.

Additional insurance benefits available

Hail Endorsement (HE) offers spot-loss payments for damage due to hail, accidental fire and fire caused by lightning. When this option is purchased and the insured crop suffers 10 per cent or more damage, the client is eligible for a payment, based on the percentage of loss in the damaged areas.

Auto-Elect Straight Hail offers an option to purchase Straight Hail Insurance at the same time coverage is elected for CHU Insurance, on or before April 30, and in advance of seeding crops.

Price

Clients choose dollar coverage per acre, in $25-per-acre increments, within program limits. The maximum insurable value will be set annually using the current year's grain corn normal yield and the spring insurance price for grain corn and commercial barley.

Variable Price Benefit (VPB)

The VPB is automatically included and compensates clients in a loss situation when the fall market price of barley increases 10 percent or more from the spring insurance price to the fall market price. The VPB is limited to a maximum increase of 50 per cent above the spring insurance price set for barley under Crop Insurance.

Barley is used as a proxy for the CHU silage corn crops because, historically, the price of silage corn tends to move with barley.

Spring Price Endorsement (SPE)

SPE offers protection for within-year price declines of more than 10 per cent between the spring insurance price and the fall market price. The SPE is limited to a 50 per cent change. Once SPE is triggered, it will pay back up to 90 per cent of the spring insurance price on production produced, or deemed to be produced, up to the coverage elected. Refer to pages 42 to 44 for further information and examples.

Premium and cost sharing

Federal and provincial governments support AgriInsurance programs, including CHU, by paying all administration expenses and sharing premium costs with clients.

Premium rates are based upon historical corn heat unit data at the low CHU threshold option. A risk factor is used to set premium rates for the high threshold option.

Premium is calculated by multiplying dollar coverage chosen per acre by the number of acres insured. That total is then multiplied by the premium rate for the selected weather station and CHU threshold option.

Premium Adjustments & Discounts	
2%	Continuous Participation Discount applies after the first insurance year unless the client does not have coverage or losses for one year, then it is zeroed and must be earned again
2%	An Early Payment Discount is applied to premium payments received by AFSC the later of June 25 or within 15 days of each version's billing date

Designated perils

Lack of heat during the growing season plus a provision for late frost in the spring.

Indemnity

Clients can choose between two CHU insurance triggers or threshold options (high and low). Payments begin sooner under the high threshold option, so the cost of this choice is more than for the low threshold option.

CHU Threshold Options:

Station	Long-Term Normal	High Threshold Option*	Low Threshold Option**
Bow Island North	2,504	2,380	2,260
Bow Island South	2,504	2,380	2,260
Brooks	2,387	2,280	2,160
Enchant	2,387	2,280	2,160
Fincastle	2,504	2,380	2,260
Iron Springs	2,332	2,220	2,100
Lethbridge	2,332	2,220	2,100
Patricia	2,231	2,120	2,000
Raymond	2,231	2,120	2,000
Rolling Hills	2,332	2,220	2,100
Rosemary	2,231	2,120	2,000
Seven Persons	2,504	2,380	2,260
Vauxhall	2,387	2,280	2,160

*Approximately 95% of long-term CHU normal. Payments start if annual accumulated CHUs fall below this level.

**Approximately 90% of long-term CHU normal. Payments start if annual accumulated CHUs fall below this level.

Claims are based on accumulated CHUs calculated using the temperature data recorded at the selected weather station. CHUs accumulated before the killing frost are compared to the threshold chosen by the client at the weather station. If the annual CHUs are less than the chosen threshold, the insurance program starts to make payments.

Assumption:
- 140 acres of silage corn is insured at $300 per acre, which results in $42,000 coverage
- High threshold option is chosen with 2,280 CHU
- The accumulated CHU at Brooks, the chosen weather station, are 2,090 in the current year

Indemnity calculation: see CHU Payment Rates table on the following page:
- Corn Heat Unit shortfall (2,280 - 2,090) = 190
- 190 CHU is <200 = 30% payment rate

With a payment rate of 30%, the client would receive an indemnity of:
- 30% x $42,000 = $12,600

Late spring frost indemnity calculation
The main peril is lack of heat during the growing season. However, this insurance plan also includes a provision for late spring frost, which can set back corn plant growth and impact production. To trigger this provision, a temperature of less than zero degrees Celsius (0°C) has to be recorded:
- On or after June 1 and
- Prior to 700 CHUs being recorded at the weather station.

If both these conditions are met, 50 CHUs will be deducted from the accumulated total CHUs at the end of the year for the first day. An additional 15 CHUs will be deducted for every other day between June 1 and the day the frost in question occurred.

Late spring frost indemnity example:
Assume:
- High threshold option of 2,220 CHUs at Iron Springs was chosen
- A temperature reading of -1°C on June 3 when 589 CHUs have been accumulated at the weather station
- Total CHUs at the end of the year are recorded as 2,150 at Iron Springs

CHU deduction for late spring frost:
- (1 day x 50) + (2 days x 15) = 80 CHUs
- The 2,150 is reduced by 80 to see if there is a payment: 2,150 CHUs - 80 CHUs = 2,070 CHUs
- 2,220 - 2,070 = 150

The payment rate in this example is 24 per cent at Iron Springs for a high threshold election (see table on next page).

Inspections

Unseeded Acreage Benefit

The Unseeded Acreage Benefit is included with CHU Insurance. The cost of the Unseeded Acreage Benefit is included with CHU Insurance premium, so separate premium is not required for unseeded acres.

The Unseeded Acreage Benefit provides compensation on a spot-loss basis for acres unseeded due to excess moisture as of June 20. This benefit is intended to partially compensate clients for the direct and indirect costs of seedbed preparation when seeding is prevented due to excess moisture.

Basic eligibility criteria
An active area-based insurance contract for annual crops exists and there is an inability to seed by June 20 due to excess moisture.

The total number of acres intended to be seeded must have been declared by April 30. Land that is rented or purchased after April 30 but before June 1 is eligible with written proof (a copy of the signed rental agreement or bill of sale) provided to AFSC by June 1. There is a five per cent deductible on all cultivated acres per quarter section.

To qualify for this benefit, the unseeded acreage must be land that meets at least one of the following criteria:

- Intended to be seeded for crop, silage or greenfeed (insured and uninsured);
- In hay or pasture the previous year and that was either worked or sprayed at a rate sufficient to kill that crop and intended to seed to a spring crop in the current year (insured and uninsured);
- Unharvested (snowed under) the previous year and is intended to be harvested in the spring prior to seeding a spring crop; or
- Qualified for a reseeding benefit and could not be reseeded on or before June 20 due to excessive moisture.

Note: AFSC may deny coverage on land where flooding or excess moisture is a recurring problem.

Levels of payment
There are four levels of payment and each level has different eligibility requirements:

- **Level 1**: Dryland $49 per acre - compensates for direct costs (rent, land taxes and interest), land preparation (cultivation, harrowing, herbicide application and chemical fallow) and following year land maintenance;
- **Level 2**: Dryland $108 per acre - compensates for Level 1 costs plus pre-plant incorporation of fertilizers (confirmation receipts may be required);
- **Level 3**: Irrigated $107 per acre - compensates for direct costs (rent, land taxes and interest), land preparation, (cultivation, harrowing, herbicide application and chemical fallow), irrigation water rights and following year land maintenance;
- **Level 4**: Irrigated $179 per acre - compensates for Level 3 costs plus pre-plant incorporation of fertilizers (confirmation receipts may be required).

Benefits are capped at the lesser of $108 per acre for dryland and $179 per acre for irrigated acres; or 50 per cent coverage for the client's predominant dryland and irrigated crops.

Note: Payments under the Unseeded Acreage Benefit can impact premium adjustments under the basic Crop Insurance policy.

Hail and Fire Damage

The Hail Endorsement and Straight Hail Insurance provide spot-loss coverage for damage due to hail, accidental fire and fire by lightning. When the insured crop suffers a loss of 10 per cent or more, the client is eligible for a payment based on the percentage of loss on the damaged acres.

Clients who purchase the Hail Endorsement or Straight Hail Insurance, including Auto-Elect Straight Hail, must report a loss within 14 days after the day the crop was damaged by hail or fire.

Clients are to check insured fields to identify the damaged areas prior to filing a hail claim and are expected to take the inspector to damaged fields when the damage assessment is completed.

CHU Payment Rates for Grain & Silage Corn

	Silage Corn	Grain Corn
Corn Heat Units (CHUs) Shortfall	Payment Rate (%)*	Payment Rate (%)*
0	0	0
< 20	3%	5%
< 40	6%	10%
< 60	9%	15%
< 80	12%	20%
< 100	15%	25%
< 120	18%	30%
< 140	21%	34%
< 160	24%	38%
< 180	27%	42%
< 200	30%	46%
< 220	33%	50%
< 240	36%	54%
< 260	39%	57%
< 280	42%	60%
< 300	45%	63%
< 320	48%	66%
< 340	52%	69%
< 360	56%	72%
< 380	60%	75%
< 400	64%	77%
< 420	68%	79%
< 440	72%	81%
< 460	76%	83%
< 480	80% **	85% **

* The CHUs shortfall in the table are after adjustments for late spring frost (if required)

** Clients with CHU shortfalls of 480 or more may be eligible for a larger payment if indicated by inspection

Renewals

Clients who purchased CHU insurance in the previous year will be automatically renewed based upon the previous year's information. Personalized renewal notices are available in March. Clients are responsible to review the information. If changes are required, a completed CHU Insurance application form should be returned to an AFSC insurance representative by mail, fax, email, in person or by phone by April 30.

The Hail Endorsement may be purchased with CHU Insurance, by April 30. Auto-Elect Straight Hail may be purchased by April 30. Straight Hail Insurance can be purchased throughout the growing season.

Cancellations

Corn Heat Unit is continuous and remains in effect from year to year unless cancelled in writing or on a Change Request form by the client on or before April 30.

New clients

New clients must apply for CHU insurance on or before April 30 and AFSC will evaluate eligibility for insurance. New clients are required to demonstrate their legal, financial and operational independence. Required information includes Social Insurance Number or Business Number, legal land description of land CHU crops will be grown on and number of acres on each location.

Clients will also need to select the crop, dollar coverage, a low or high threshold, weather station, and can elect Hail Endorsement, Spring Price Endorsement and Auto-Elect Straight Hail option.

Deferrals

Clients must notify their branch to defer an indemnity, prior to any indemnities being issued.

Land Report and Statement of Coverage and Premium

Clients must contact their branch and complete a Land Report once seeding is finished or by June 20.

Land information is keyed to generate a Statement of Coverage and Premium which explains coverage and premium and states AFSC's liability limit. The Statement of Coverage and Premium must be reviewed carefully to ensure it is complete and accurate. Errors and omissions must be reported to AFSC, within 15 days of receipt.

Accuracy is important. AFSC reserves the right to deny additional liability when information contained on the Statement of Coverage and Premium reflects what is reported on the Land Report.

Seeding deadlines

May 15 - Grain Corn
May 31 - Silage Corn

Unseeded Acreage Benefit

Clients should contact a branch office to file the unseeded acreage claim no later than June 20 to provide the following information:

- All legal locations (reported separately by quarter section) that have unseeded acreage;
- For each quarter section:
  - Total number of cultivated acres;
  - Number of dryland unseeded acres, and irrigated unseeded acres;
  - Number of acres seeded;
  - Number of acres intended for fallow;
  - Number of acres in hay and pasture;
  - Number of acres which could not be reseeded due to excessive moisture; and
  - If fertilizer applied, on a field-by-field basis;

AFSC will verify the total number of acres that qualify for an unseeded acreage claim and determine the level of payment by confirming field preparation expenditures.

Hail or fire damage

For damage of 10 per cent or more under either Hail Endorsement or Straight Hail Insurance, clients must contact AFSC within 14 calendar days of the hailstorm or fire.

AFSC requires the following information when a report of hail damage is filed:

- The legal location and number of acres effected;
- The date, time, duration, and direction of the storm;
- The size of the hailstones and general conditions (strong wind, heavy rains, etc.); and
- Estimate of the percentage of damage for each crop.

Clients should inspect fields, identify hail-damaged areas, and accompany the inspector to damaged acres. Inspectors may wait to adjust a claim so that damage is more accurately identified. Claims may be deferred if crops are not sufficiently mature for accurate damage to be assessed.

If the crop is damaged when mature enough to swath or harvest, clients may be advised to leave representative inspection strips or swaths for inspectors to use to assess the damage. For information on size and number of strips, see Inspection Strips on page 11.

Overview

Spring Price Endorsement (SPE) is purchased as an endorsement on a crop-specific basis. It cannot be purchased at the 50 per cent coverage level for Crop Insurance. SPE offers protection for within-year price declines of more than 10 per cent between the spring insurance price and the calculated fall market price. The SPE is limited to a maximum decline of 50 per cent.

Insurable crops

See the Fall Market Price Methodology table on pages 22 and 23 for a list of crops eligible for SPE.

Coverage

For Crop Insurance, SPE provides clients with protection, on a crop-specific basis, from within-year price declines on production that is grown, up to the coverage purchased, at 90 per cent of the spring insurance price.

For Silage Greenfeed and Corn Heat Unit Insurance, SPE provides clients with protection from within-year price declines on deemed production up to the coverage purchased, at 90 per cent of the spring insurance price.

Price

The spring insurance price is a forecast of the average market price for the coming crop year. In late January every year, the Market Analysis Division and the Crop Insurance and Companion Programs Division of Agriculture and Agri-Food Canada, in conjunction with the provincial Price Review Committee, set a price for each insured crop's designated grade.

The spring insurance price is multiplied by the coverage level chosen under Crop Insurance to determine client's dollar coverage at the start of the year. It is also used in the calculation of dollar coverage for the Silage Greenfeed and Corn Heat Unit Insurance programs.

The fall market price for SPE is the same price used for the Variable Price Benefit. The methodology to determine the price for each insured commodity can be found on pages 22 and 23 in the Fall Market Price Methodology table. For production-based products, grade factors for each crop are determined at the same time as the fall market prices.

Premium and cost sharing

SPE is only available in Alberta. The provincial government pays all administration expenses and shares premium costs with clients. There is no federal government support for this endorsement.

Premium rates are based upon a blend of historical SPE data and a risk assessment of the current spring insurance price.

Client premium is calculated by multiplying the dollar coverage by the client's share of the premium rate, and applying any applicable premium adjustments.

Premium Adjustments & Discounts	
2%	An Early Payment Discount is applied to premium payments received by AFSC the later of June 25 or within 15 days of each version's billing date

Indemnity

For clients with Crop Insurance and/or Barley Proxy option for Silage Greenfeed Insurance, to prevent overpayment, yields must be gathered and production losses paid before SPE payments can be calculated.

Production-based insurance

SPE offers protection for price within-year declines of more than 10 per cent between the spring insurance price and the calculated fall market price. SPE is limited to a maximum decrease of 50 per cent below the spring insurance price.

Payments are calculated on the difference between 90 per cent of the spring insurance price and the calculated fall market price, multiplied by the total production grown up to the coverage level elected under Crop Insurance.

'Production grown' means harvested production and appraised potential production of a crop adjusted for dockage, moisture, and grade (relative to the designated grade) and excludes volunteer production and production due to uninsured causes of loss.

Assumption:

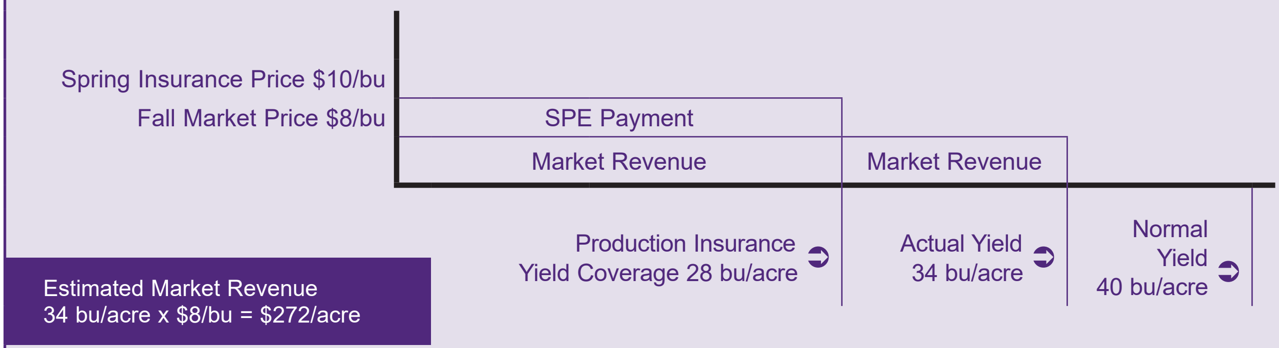
- Client's normal yield is 40 bushels per acre.
- Spring insurance price is $10 per bushel.
- 70 per cent coverage was chosen under Crop Insurance, which provides 28 bushels per acre protection.
- Calculated fall market price is $8 per bushel.
- Within the year, price declined by 20 per cent [($10 per bushel - $8) / $10 per bushel].

Example 1 on the following page provides an instance where:

- The client's production this year is 34 bushels per acre, so there is no production shortage;
- SPE triggers as the decline is greater than 10 per cent; and
- SPE pays on the amount of crop that is grown up to the insurance coverage. Payment calculation is:
  - 28 bushels per acre x [($10 x 90%) - $8] = $28 per acre

Note: This program assumes a client can sell the production for the fall market price. If the client does not, there is no provision to make up the difference. If client sells their production for more than the fall market price, there is no offset against program payments.

Example 1: no production loss, SPE



Payment Calculation

Production Insurance:	no production shortfall =	$0
SPE:	28 bu/acre x [($10bu x 90%) - $8] =	$28/acre
		$28/acre

Example 2 below provides another instance where the same client suffers a production shortfall:

- The client's production is 20 bushels per acre, so there is a production shortfall
  - 28 - 20 = 8 bushels per acre

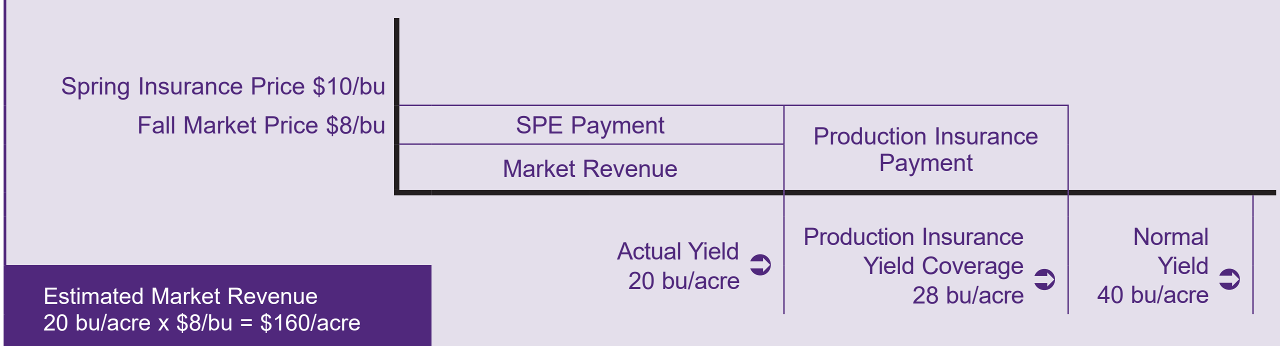
There is a crop shortfall and Crop Insurance guarantees the spring insurance price for production below coverage.

- The Crop Insurance payment is: (28 - 20) x $10 = $80 per acre

SPE pays on the amount of crop that is grown so the payment calculation is:

- 20 x [($10 x 90%) - $8] = $20 per acre

Example 2: production loss, SPE



Payment Calculation

Production Insurance:	(28 bu/acre - 20 bu/acre) x $10/bu =	$80/acre
SPE:	20 bu/acre x [($10 x 90%)/bu - $8/bu) =	$20/acre
		$100/acre

Indemnity

Area-based insurance

Spring Price Endorsement (SPE) is purchased as an endorsement at the subscription level. SPE offers protection for within-year price declines of more than 10 per cent from the spring insurance price to the calculated fall market price set for barley under Crop Insurance. SPE is limited to a maximum decline of 50 per cent.

Under Silage Greenfeed and Corn Heat Unit Insurance, production on the farm has no impact on the programs, yet SPE pays on what is assumed to be grown, up to coverage, at 90 per cent of the spring insurance price.

The following two examples show how AFSC defines ‘assumed to be grown’:

Assumption:

- A client has insured grain corn under the CHU program and has coverage of $300 per acre.

Example 1:

- There is no shortage of heat units, therefore no production shortfall assumed;
- The fall market price for grain corn drops by 15 per cent from the spring insurance price;
- SPE pays back up to 90 per cent of the spring insurance price, therefore the payment rate calculates at five per cent.

In this case, since there is no payment under CHU, AFSC assumes the client produced a crop at least equal to coverage. SPE pays for price declines on what is grown up to the coverage level chosen.

In this example, the SPE payment is: $300 per acre x (15% - 10%) = $15 per acre.

Example 2:

Now, using the same example, assume there was a heat shortage causing a program payment rate of 40 per cent. AFSC assumes that a 40 per cent payment means the client produced a crop equal to 60 per cent of coverage. SPE pays on production that is grown up to the coverage level back up to 90 per cent of the spring insurance price.

AFSC assumes the client produced a crop equal to 60 per cent of $300 per acre coverage.

In this example, the SPE payment is: $300 x 60% x (15% - 10%) = $9 per acre

For Crop Insurance and the Barley Proxy option of Silage Greenfeed Insurance, yields must be gathered and production losses paid before SPE payments can be calculated.

Client Responsibilities

Renewal and new insurance

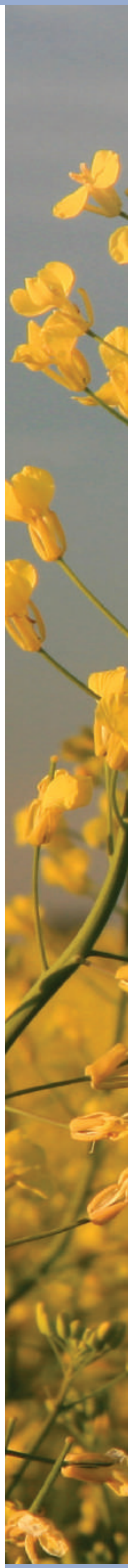
Clients must specifically choose SPE coverage on crops when renewing or purchasing new production, Silage Greenfeed, and Corn Heat Unit Insurance by April 30.

Cancellations

SPE is continuous and remains in effect on a crop from year to year unless removed from the crop in writing or on a Change Request form by the client on or before April 30.

Deferrals

Clients must notify their branch to defer an indemnity, prior to any indemnities being issued.



Overview

Hail Endorsement (HE) can be purchased as an endorsement to:

- Crop Insurance
- Processing Vegetable Insurance;
- Silage Greenfeed Insurance;
- Corn Heat Unit Insurance;
- New Crop Insurance Initiative (NCII).

HE provides spot-loss coverage on a crop-specific basis. HE cannot be purchased at the 50 per cent coverage level for production-based insurance.

Insurable crops

Hail Endorsement eligibility for all insurable crops is listed in the Program Specifics Tables on pages 18 to 21. Hail Endorsement will be offered on the majority of crops that are insured under NCII, however, AFSC reserves the right to deny HE coverage on crops where hail damage cannot be accurately assessed. Honey and Bee Overwintering Insurance programs are not eligible for Hail Endorsement.

Coverage

HE applies to the entire acreage of the crop insured and at the same dollar coverage as provided under Annual Crop Insurance.

Insurance protection begins when the crop emerges and continues until:

- The insurance is cancelled by the insured (can only be cancelled if there is not a claim);
- The crop is put to another use;
- The crop is harvested; or
- Midnight October 31.

Premium and cost sharing

Federal and provincial governments support AgriInsurance programs, including the Hail Endorsement, by paying all administration expenses and sharing premium costs with clients.

Hail premium 'base' rates are set annually based upon the historical hail loss by township. These rates vary by crop depending on the crop's susceptibility to hail damage. The Schedule of Insurance found on www.afsc.ca, presents the rates by crop as a base rate, ¾ times base rate, 1½ times base rate, 1¾ times base rate and 2 times base rate.

Clients who elected HE with their Annual Crop Insurance pay an adjusted rate of the base rate depending on the crop type. The HE rate is listed on the crop proposals. Client premium is calculated by multiplying the dollar coverage by the adjusted HE premium rate and applying any applicable premium discounts.

Premium Adjustments & Discounts	
2%	An Early Payment Discount is applied to premium payments received by AFSC the later of June 25 or within 15 days of each version's billing date

Designated perils

Hail Endorsement provides spot-loss coverage for damage due to hail, accidental fire and fire by lightning. When the insured crop suffers a loss of 10 per cent or more, the client is eligible for a payment based on the percentage of loss on the damaged acres.

Indemnities

HE claims are not paid on crops with hail damage prior to June 20 that are receiving a payment under the Reseeding Benefit. HE coverage extends to the reseeded crop, provided it was elected and is insurable under the original insurance program.

Claim Payment Scale:

- No payments are made for claims less than 10 per cent;
- Claims between 71 and 89 per cent receive a harvesting allowance up to 10 per cent;
- Claims equal to or greater than 90 per cent are paid as a 100 per cent loss.

Indemnities are limited to the dollar coverage per acre under the insurance option purchased.

Examples of Hail Endorsement payments:

- Assume 100 acres.
- Production guarantee of 30 bushels per acre.
- Spring insurance price $6.80 per bushel.
- Dollar coverage (30 bushels per acre x $6.80 per bushel) = $204 per acre

Scenario A

Assume 40 per cent hail loss; harvests 20 bushels per acre.

- Hail Endorsement payment:
  = $204 x 40% = $81.60 per acre
- Basic production payment:
  = 30 bushels (coverage) - 20 bushels (harvested)
  = 10 bushels
  = 10 bushels (shortfall) x $6.80 = $68 per acre

Total payment: $81.60 + 68 = $149.60 per acre

Scenario B
Assume 40 per cent hail loss; harvests 8 bushels per acre.

- Hail Endorsement payment:
  = $204 x 40% = $81.60 per acre
- Basic production payment:
  = 30 bushels (coverage) - 8 bushels (harvested)
  = 22 bu
  = 22 bushels (shortfall) x $6.80 per bushel
  = $149.60 per acre

Total payments from all sources cannot exceed dollar coverage under the basic policy. Since $81.60 per acre has already been paid under the HE, this means only the remaining coverage can be paid.

The basic production insurance loss is limited to $204 (coverage) - $81.60 (HE) = $122.40 per acre.

Client responsibilities

Renewals and new insurance

Clients must specifically choose by April 30 HE coverage on crops when renewing or purchasing new:

- Crop Insurance;
- Processing Vegetable Insurance;
- Silage Greenfeed Insurance;
- Corn Heat Unit Insurance;
- New Crop Insurance Initiative.

Reporting a loss

Clients who purchase the Hail Endorsement must report a loss within 14 days after the day the crop was damaged by hail or fire.

Clients are to check insured fields to identify the damaged areas prior to filing a hail claim and are expected to take the inspector to damaged fields when the damage assessment is completed.

AFSC requires the following information when a report of hail or fire damage is filed:

- The legal location and number of acres effected;
- The date, time, duration, and direction of the storm;
- The size of the hailstones and general conditions (strong wind, heavy rains, etc.); and
- Estimate of the percentage of damage for each crop.

Clients are required to accompany the inspector during a claim inspection and to take the inspector to the damaged areas of each field. Inspectors may wait to adjust a claim so that damage is more accurately identified. Claims may be deferred if crops are not sufficiently mature for accurate damage to be assessed.

If the crop is damaged when mature enough to swath or harvest, once authorized by AFSC, clients may leave representative inspection strips or swaths for inspectors to use to assess damage. For information on size and number of strips, see Inspection Strips on page 11.

Cancellations

Hail Endorsement coverage on a crop is continuous and remains in effect from year to year unless removed from the crop in writing by the client on or before April 30. If a client elects HE, then requests cancellation after April 30, the Cancellation and Premium Refund schedule applies. All acres of a crop must be cancelled unless a portion has been put to another use and released by AFSC.

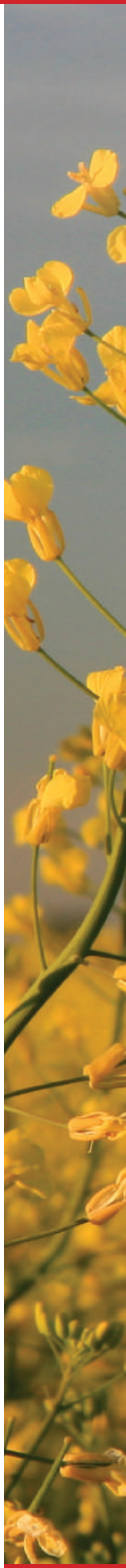
Cancellation and Premium Refund Schedule

The premium refund will be a percent of the season's premium, as established by the following schedule:

Spring Seeded Crops	Fall Seeded Crops*	Premium Earned	Premium Refunded
Before July 1	Before June 16	25%	75%
July 1 – July 3	June 16 – June 18	35%	65%
July 4 – July 6	June 19 – June 21	45%	55%
July 7 – July 9	June 22 – June 24	55%	45%
July 10 – July 12	June 25 – June 27	65%	35%
July 13 – July 15	June 28 – June 30	75%	25%
July 16 – July 19	July 1 – July 4	80%	20%
July 20 – July 23	July 5 – July 8	85%	15%
July 24 – July 27	July 9 – July 12	90%	10%
July 28 – July 31	July 13 – July 15	95%	5%
August 1	July 16	100%	0%

*Fall seeded crops include: fall seeded crops, forage crops grown for seed and forage crops (grasses and legumes).

Cancellation does not include a reduction in coverage per acre. (E.g. It is not possible to reduce coverage during the season from $40 per acre to $20 per acre).



Overview

Straight Hail Insurance provides protection for spot-loss damage to crops caused by hail, accidental fire or fire caused by lightning. This product is available to anyone with an interest in an insurable crop grown in Alberta, whether they are a producer, a tenant or a crop-share landlord. Cash-rent landlords are not eligible.

Clients can purchase Straight Hail Insurance on a viable crop online at www.afsc.ca and at any AFSC office. Insurance is purchased in one-dollar increments and comes into effect at noon on the day following the date of application. Straight Hail coverage expires if the crop is put to another use, when harvest is complete or at midnight on October 31 of the year of application.

If damage was incurred on one or more fields prior to Straight Hail Insurance being purchased, clients are required to report the previous damage and the fields affected are subject to an acceptance inspection prior to liability being accepted by AFSC.

Insurable crops

Viable annual crops or perennial crops (excluding pasture) are insurable under Straight Hail Insurance. A full list can be found in the Schedule of Insurance on AFSC website at www.afsc.ca.

A Straight Hail Premium Calculator is also provided at www.afsc.ca. The calculator will provide a premium estimate based on a producer's crop mix and land locations.

Coverage

Dollar coverage per acre is limited to one-dollar increments, by crop category, and separately for dryland and for irrigation.

Coverage Available by Crop Category

Cereals, most oilseeds, pulse and forage crops can be insured to a maximum of:

- Dryland - $225 per acre;
- Irrigated - $400 per acre.

Chick peas and canola can be insured to a maximum of:

- Dryland - $325 per acre;
- Irrigated - $425 per acre.

Specialty crops, such as vegetable, herbs, spices and essential oils, can be insured to a maximum of:

- Dryland - $525 per acre;
- Irrigated - $950 per acre.

Potatoes, including chip, fry, seed and table can be insured to a maximum of:

- Dryland - $1,900 per acre;
- Irrigated - $2,450 per acre.

Market garden crops can be insured to a maximum of $2,000 per acre.

The combined dollar coverage per acre of all insured parties cannot exceed the program coverage limit.

Clients have the option to insure all or only a portion of their field. Any portions of a field that are insured must be diagrammed and provided to AFSC.

Clients can choose full coverage or coverage with a 10 per cent or a 25 per cent deductible; the higher the deductible, the lower the premium rate.

Insurance protection begins when the crop emerges and continues until:

- The insurance is cancelled by the insured (can only be cancelled if there is not a claim);
- The crop is put to another use;
- The crop is harvested;
- Midnight October 31.

Auto-Elect Straight Hail

AFSC offers an option to purchase Straight Hail Insurance at the same time the client elects coverage for production insurance for annual crops and Silage Greenfeed and Corn Heat Unit Insurance in one-dollar increments. The client receives a two per cent discount on the Auto- Elect Straight Hail Insurance premium.

A Change Request form is included in the renewal notice for each program and changes for Auto-Elect Straight Hail can be reported to AFSC on the Change Request form by the April 30 deadline.

The client's Auto-Elect Straight Hail Insurance is renewed each year when production insurance and Silage Greenfeed and Corn Heat Unit Insurance programs are renewed. If the elected crop is not seeded, premium is not charged.

Premium and cost sharing

Straight Hail Insurance is not subsidized by any government. Premium and administration costs are funded completely through client premium.

Hail premium 'base' rates are set annually based upon the historical hail loss by township. These rates vary by crop depending on the crop's susceptibility to hail damage. The Schedule of Insurance found on www.afsc.ca, presents the rates by crop as a base rate, ¾ times base rate, 1½ times base rate, 1¾ times base rate and 2 times base rate.

There is a minimum $25 of actual calculated premium per insurance subscription.

Premium Adjustments & Discounts	
2%	An Auto-Elect Discount is provided to clients who elect Straight Hail with their Annual Crop Insurance
2%	Online Discount is provided to clients who purchase online
2%	An Early Payment Discount is applied to premium payments received by AFSC the later of June 25 or within 15 days of each version's billing date

Designated perils

Straight Hail Insurance provides spot-loss coverage for damage to crops due to hail, accidental fire, fire by lightning. When the insured crop suffers a loss of 10 per cent or more, the client is eligible for a payment based on the percentage of loss on the damaged acres.

Indemnities

A minimum of 10 per cent damage is required to initiate a claim, and there must be at least 10 per cent hail damage on each spot-loss area for those areas to quality for payment.

Assumption
- 100 acres insured
- $200 Straight Hail Insurance coverage per acre

Example A
Assume: 70 per cent hail damage to the entire acreage of crop.

Indemnity = Acres x $ coverage per acre x % of damage
= 100 acres x $200 x 70%
= $14,000

Example B
When crops are damaged between 71 and 89 per cent, clients receive a harvesting allowance. The harvesting allowance is equal to the percentage the damage exceeds 70 per cent to a maximum of 10 per cent.
- Example 75% damage: 75% + 5% = 80% loss paid

Crops that are damaged equal to or greater than 90 per cent are paid at 100 per cent.

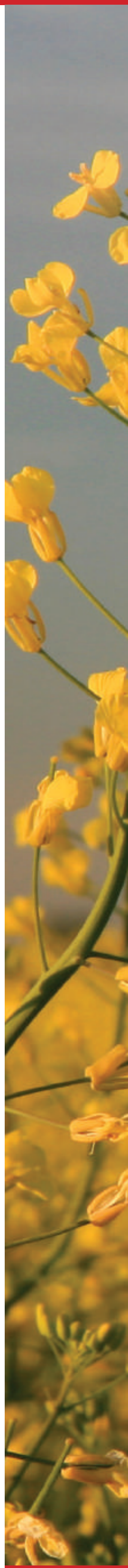
Assume: 75 per cent hail damage to the entire acreage of crop.

Indemnity = Acres x $ coverage per acre x (% of damage + % harvesting allowance)
= 100 acres x $200 x (75% + 5%)
= 100 acres x $200 X 80%
= $16,000

Example C
When deductible coverage is purchased, clients will be paid the difference between the assessed hail damage percentage and the deductible level selected. Deductible coverage is eligible for harvest allowance.

Assume: $200 coverage per acre with a 25 per cent deductible and 75 per cent hail damage to the entire acreage of crop.

Indemnity = Acres x $ coverage per acre x [(% damage + % harvesting allowance) - % deductible]
= 100 acres x $200 x [(75% + 5%) - 25%]
= 100 acres x $200 x 55%
= $11,000



Purchasing

When purchasing Straight Hail Insurance, clients can appoint an authorized representative who can act on their behalf. An authorized representative has the same authority as the client, in their absence, to not only report but also accept damage assessed to crops.

If a client purchases Straight Hail Insurance after acres have incurred damage, clients are required to report the estimated percent of previous damage and the fields affected are subject to an acceptance inspection prior to liability being accepted by AFSC.

Reporting a loss

Clients who purchase Straight Hail Insurance must report a loss within 14 days after the day the crop was damaged by hail or fire.

Clients are to check insured fields to identify the damaged areas prior to filing a hail claim and are expected to take the inspector to damaged fields when the damage assessment is completed.

AFSC requires the following information when a report of hail damage is filed:

- The legal location and number of acres affected;
- The date, time, duration, and direction of the storm;
- The size of the hailstones and general conditions (strong wind, heavy rains, etc.);
- Estimate of the percentage of damage for each crop.

Clients are required to accompany the inspector during a claim inspection and to take the inspector to the damaged areas of each field. Inspectors may wait to adjust a claim so that damage is more accurately identified. Claims may be deferred if crops are not sufficiently mature for accurate damage to be assessed.

If the crop is damaged when mature enough to swath or harvest, once authorized by AFSC, clients may leave representative inspection strips or swaths for inspectors to use to assess damage. For information on size and number of strips, see Inspections Strips on page 11.

Cancellations

A client may cancel insurance on a parcel of land if there has not been an indemnity paid, by completing and signing the Request for Cancellation section at the bottom of the Statement of Coverage and Premium. Cancellations are effective immediately upon receipt by AFSC, or, if it is forwarded by registered mail, the effective date of cancellation is the postmark date.

Policies cancelled may be eligible for a percentage of premium refund, as per schedule on this page. Policies cancelled for fall seeded crops, perennial crops grown for seed; and forage crops prior to July 16, are eligible for a refund of a percentage of the premium.

Cancellation and Premium Refund Schedule

The premium refund will be a per cent of the season's premium, as established by the following schedule:

Spring Seeded Crops:	Fall Seeded Crops*	Premium Earned	Premium Refunded
Before July 1	Before June 16	25%	75%
July 1 – July 3	June 16 – June 18	35%	65%
July 4 – July 6	June 19 – June 21	45%	55%
July 7 – July 9	June 22 – June 24	55%	45%
July 10 – July 12	June 25 – June 27	65%	35%
July 13 – July 15	June 28 – June 30	75%	25%
July 16 – July 19	July 1 – July 4	80%	20%
July 20 – July 23	July 5 – July 8	85%	15%
July 24 – July 27	July 9 – July 12	90%	10%
July 28 – July 31	July 13 – July 15	95%	5%
August 1	July 16	100%	0%

*Fall seeded crops include: fall seeded crops, forage crops grown for seed and forage crops (grasses and legumes)

Cancellation does not include a reduction in coverage per acre. (i.e. it is not possible to reduce coverage during the season from $40 per acre to $20 per acre).

Overview

The Wildlife Damage Compensation Program (WDCP) compensates agricultural producers for wildlife damage to eligible annual unharvested crops, wildlife-excreta-contaminated crops, and silage in pits and tubes. Producers wishing to participate in WDCP are not required to have insurance to qualify for a claim.

Wildlife Species
Ungulates: Antelope, deer, elk, moose, mountain goat and mountain sheep
Waterfowl: Ducks, geese and Sandhill cranes
Upland Game Birds: Grouse, partridge, pheasant and ptarmigan
Bear

Insurable crops

Unharvested annual and wildlife-excreta-contaminated crops

These programs apply to all commercially grown cereal, oilseed, special and other crops that can be insured under the Production and Straight Hail Insurance programs.

Swath grazing, bale grazing and corn grazing are eligible for compensation up to October 31.

Silage in pits and tubes

Silage in pits and tubes is not insurable under any of AFSC's insurance programs but is eligible for coverage under this program. Compensation is provided for wildlife damage caused by ungulates to harvested silage.

The following crops are not eligible:

- Crops in granaries, bins, stacks or bales left in the field (exception: silage in pits and tubes are eligible);
- Crops seeded on land considered unsuitable for production;
- Crops seeded too late in the season to produce a normal yield;
- Volunteer crops;
- Crops left exposed to wildlife damage due to management practices.

Premium and cost sharing

Federal and provincial governments pay all costs for this program. Producers pay no premium or administration costs except for the appraisal fee.

Indemnity

A non-refundable appraisal fee of $25 per inspection type is required for each section of land or portion thereof on which the damage has occurred.

Unharvested annual crops

In order to be compensated under WDCP, there must be at least 10 per cent wildlife damage and a minimum of $100 calculated loss per crop. Damaged crops must not be harvested until an AFSC inspector inspects them. Loss assessments are not made from representative strips or swaths.

Compensation is based on the percentage of damage multiplied by the commercial value of the crop. Commercial value is determined by estimating the yield and grade on the crop that is not damaged at the time of the inspection. The yield estimated during a field inspection is multiplied by the grade factor (the value of the crop in the field relative to the designated grade) and the highest price including Variable Price Benefit used for production insurance that year. Clients with wildlife claims on damaged crops may be eligible for higher rates of compensation provided the eligibility criteria for the higher coverage under crop insurance is met; example: malt barley or organic.

For unharvested crops, the WDCP claims are deducted from any production insurance payments. If the Variable Price Benefit triggers under Annual Crop Insurance, WDCP claims are paid at the higher price.

Wildlife-excreta-contaminated crops

Compensation is provided to producers who have incurred cleaning costs and/or market value loss for crops contaminated with wildlife excreta. In order to be compensated there must be at least a $100 calculated loss.

Producers must not have sold, disposed of or cleaned the crop prior to initiating the claim; otherwise their request for inspection will be rejected. For further details on compensation for cleaning costs and market loss value, AFSC should be contacted or www.afsc.ca can be visited.

Silage in pits and tubes

A provincial Fish and Wildlife Officer will provide the producer with appropriate recommendations to prevent further damage prior to a claim being paid. If a producer has a second claim, the minimum recommendations for the Fish and Wildlife Officer during the first claim visit must have been implemented in order to be eligible for a full claim. If the recommendations have not been followed, the producer is only eligible to receive 50 per cent of the claim amount. On third and subsequent claims, if minimum recommendations are not followed, no claim will be paid.

Claims filed over the winter will not be finalized until all damage has ceased and the total damage can be determined.

Maximum compensation for wildlife damage for silage in pits and tubes is $5,000 per inspection.

Unharvested annual crops

Producers must contact AFSC at least 24 hours and preferably 72 hours prior to harvest so AFSC can arrange to have an inspector perform an on farm inspection.

Producers should check their fields to identify the damaged areas prior to filing their claims and are expected to take the inspector to the damaged fields for AFSC to complete the damage assessment.

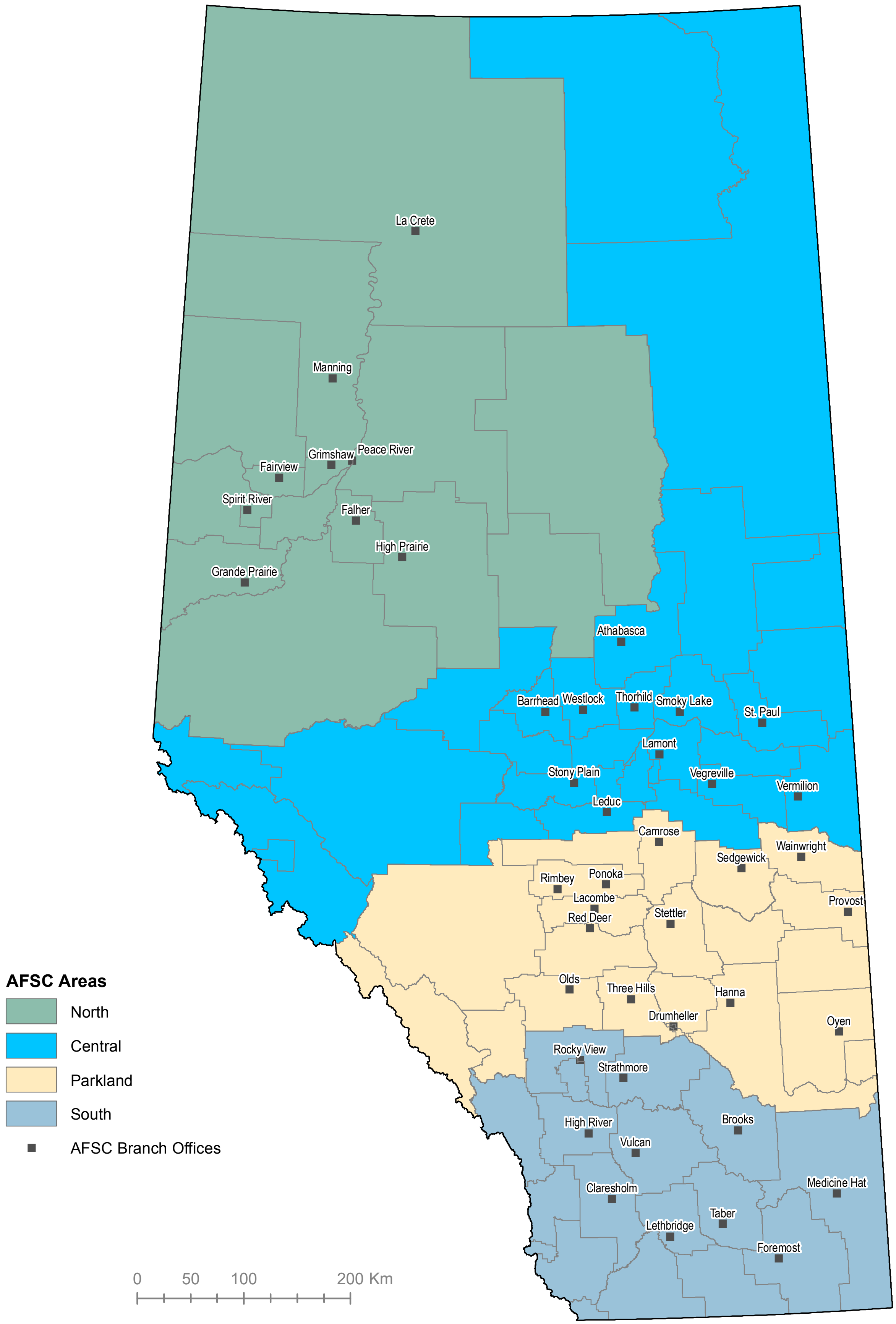
Wildlife-excreta contaminated crops

Producers must contact AFSC as soon as possible after first noticing excreta contamination and request an inspection. To be eligible for a payment, the grain or crop must not be cleaned, disposed of or sold prior to AFSC completing an initial on farm inspection.

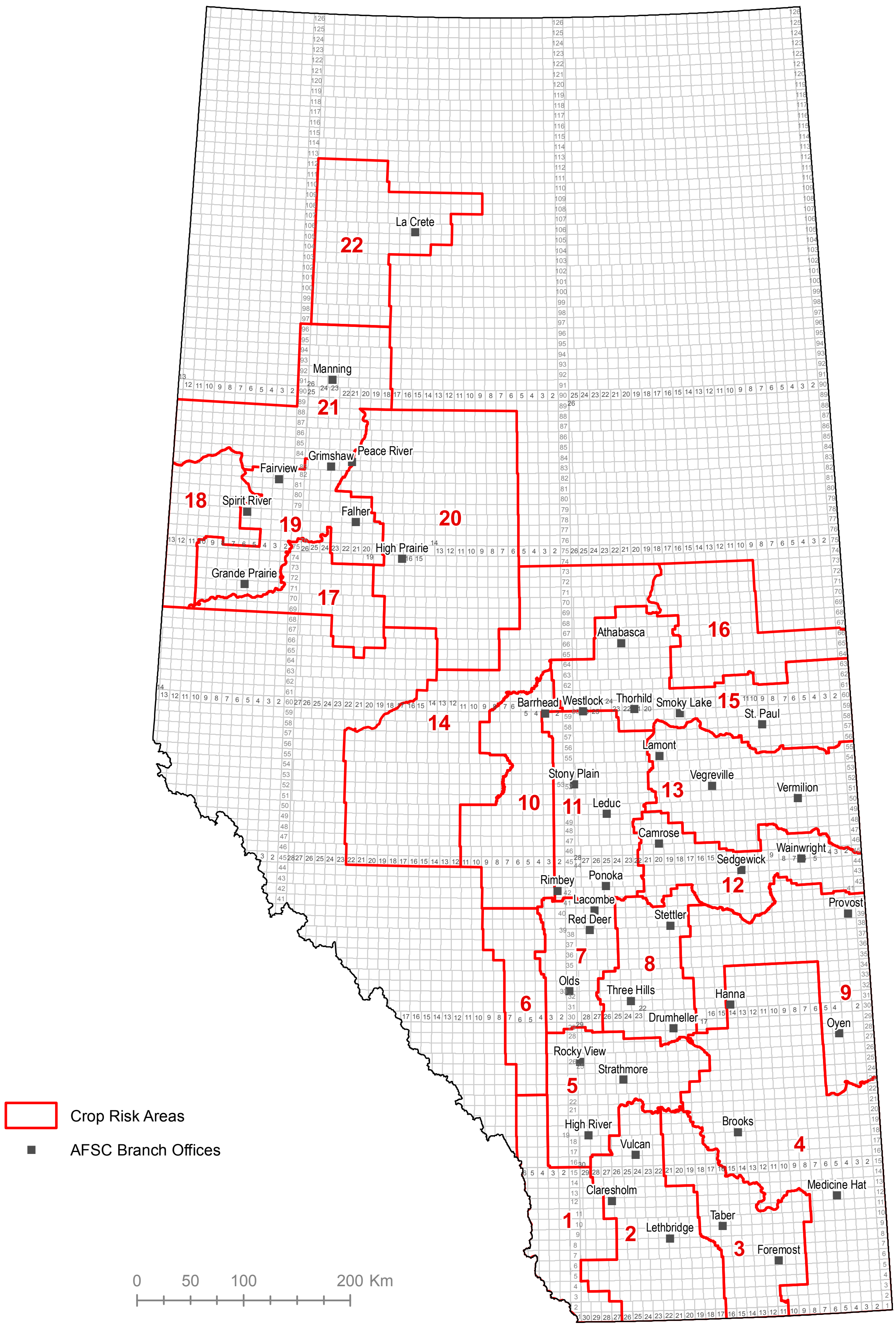
Silage in pits and tubes

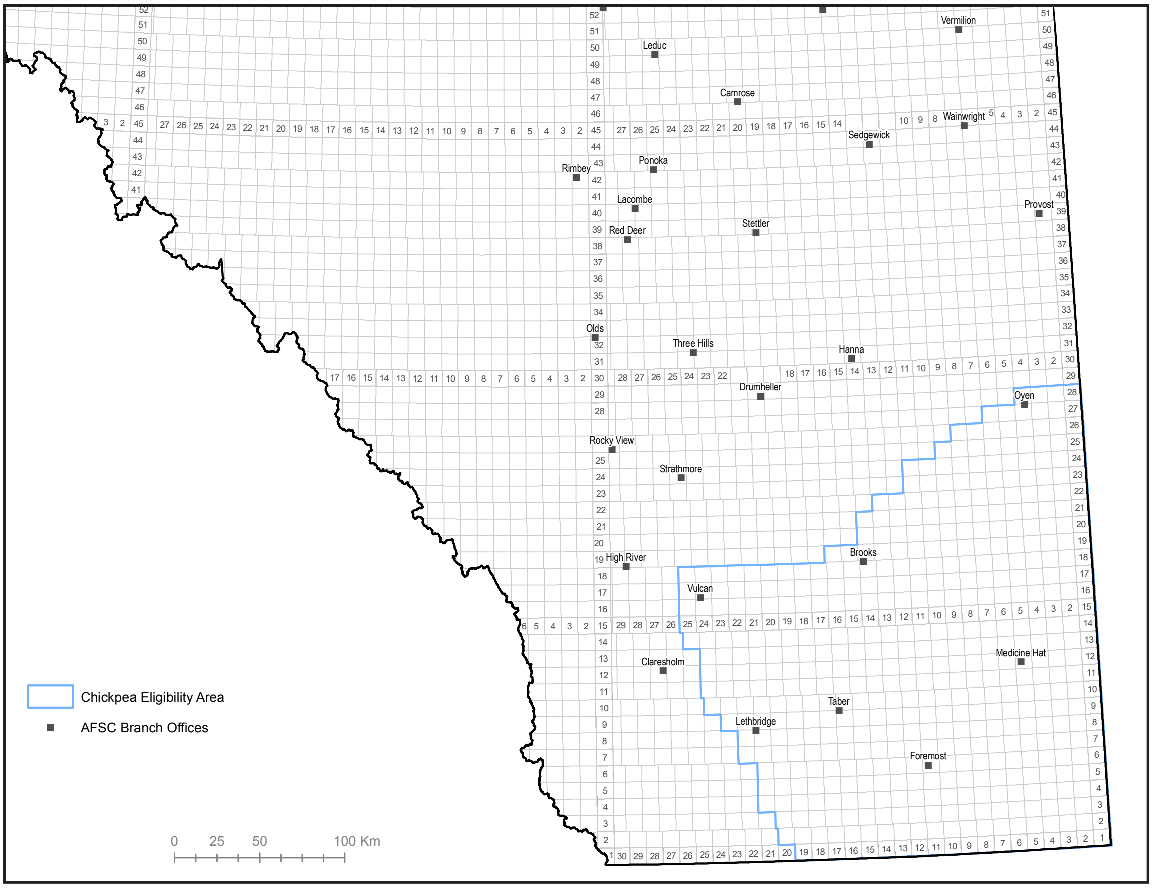
Producers are responsible to notify Fish and Wildlife and AFSC as soon as possible after first noticing damage to request an inspection and receive more detailed information.

AFSC Branch Offices



Crop Risk Areas




Chickpea Eligibility Area
AFSC Branch Offices
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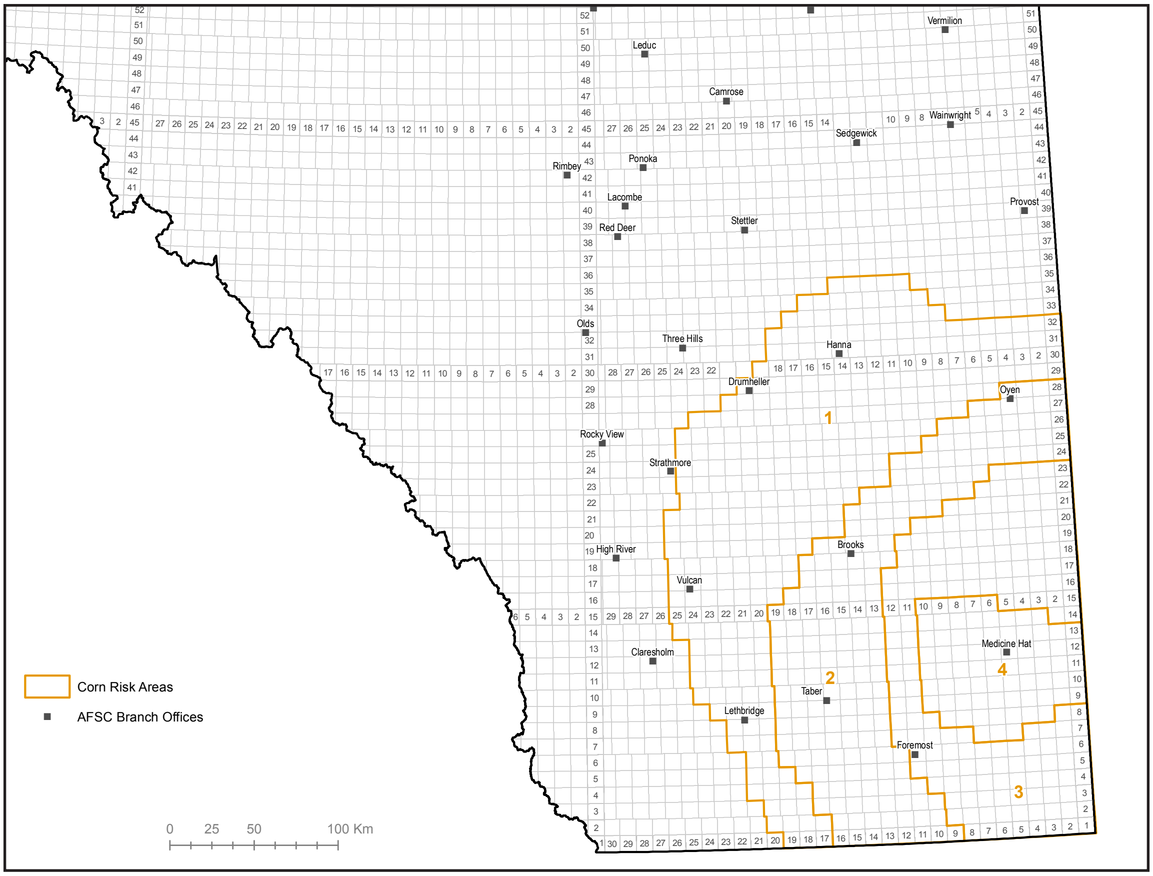
Vermilion
Leduc
Camrose
Sedgewick
Wainwright
Rimbey
Ponoka
Lacombe
Red Deer
Stettler
Provost
Olds
Three Hills
Hanna
Drumheller
Oyen
Rocky View
Strathmore
High River
Brooks
Vulcan
Claresholm
Medicine Hat
Taber
Lethbridge
Foremost


Corn Risk Areas
AFSC Branch Offices
0 25 50 100 Km
1
2
3
4
Vermilion
Leduc
Camrose
Sedgewick
Wainwright
Rimbey
Ponoka
Lacombe
Red Deer
Stettler
Provost
Olds
Three Hills
Hanna
Drumheller
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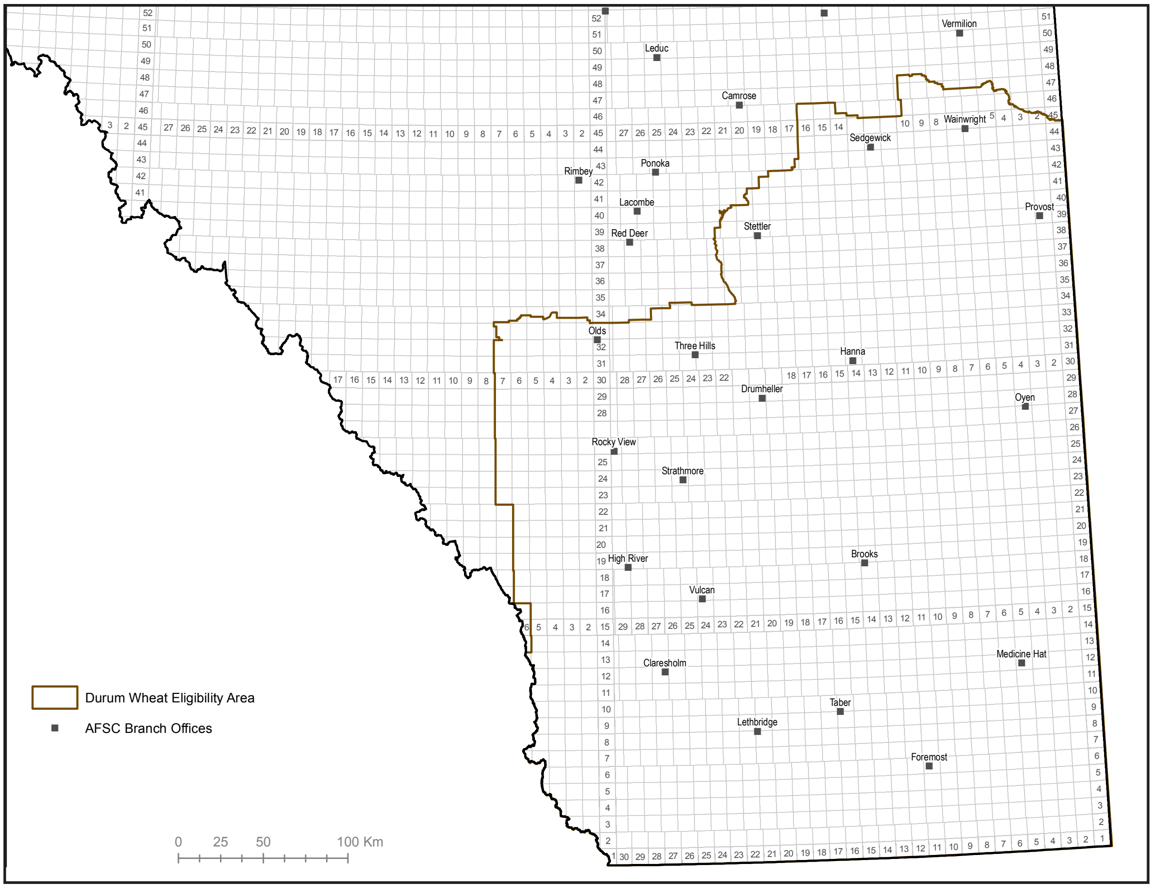
Durum Wheat Eligibility Area
AFSC Branch Offices
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Wainwright
Sedgewick
Ponoka
Rimbey
Lacombe
Provost
Red Deer
Stettler
Olds
Three Hills
Hanna
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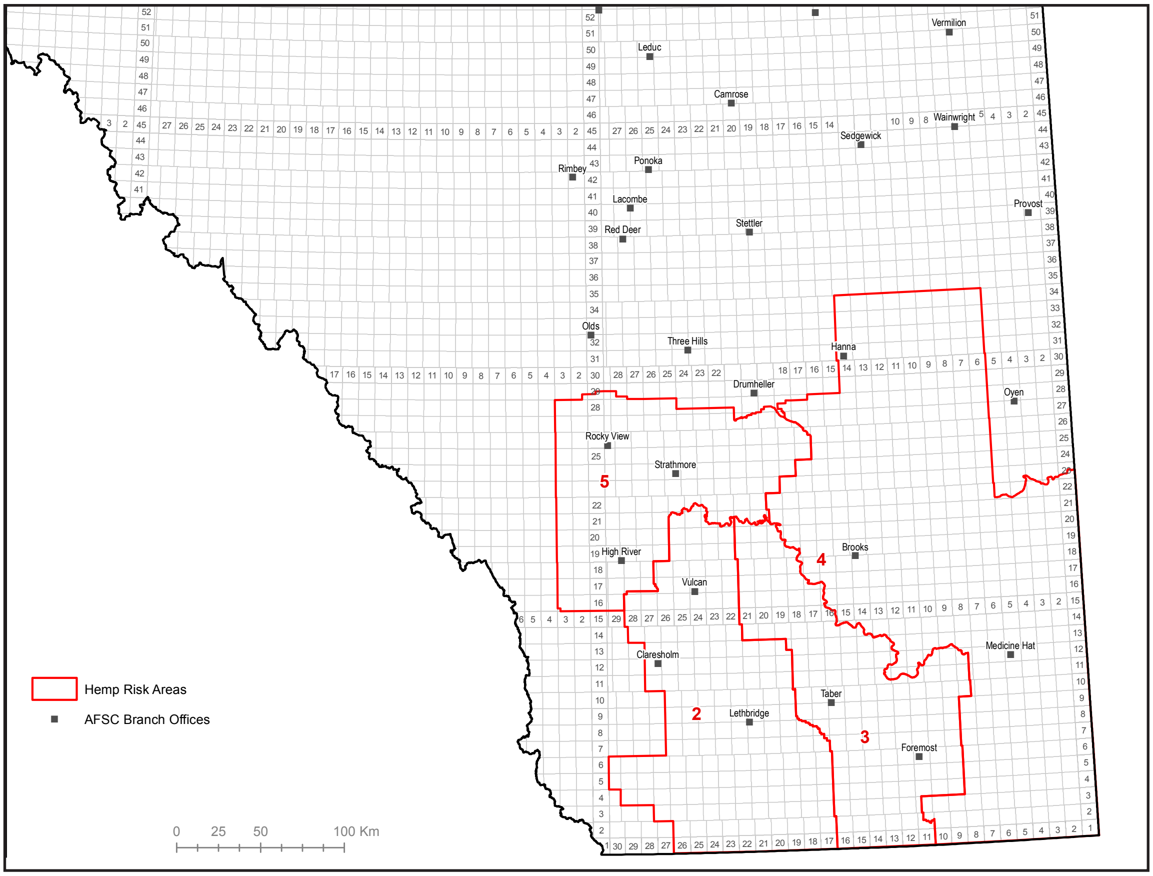
Medicine Hat
Claresholm
Taber
Lethbridge
Foremost


Hemp Risk Areas
AFSC Branch Offices
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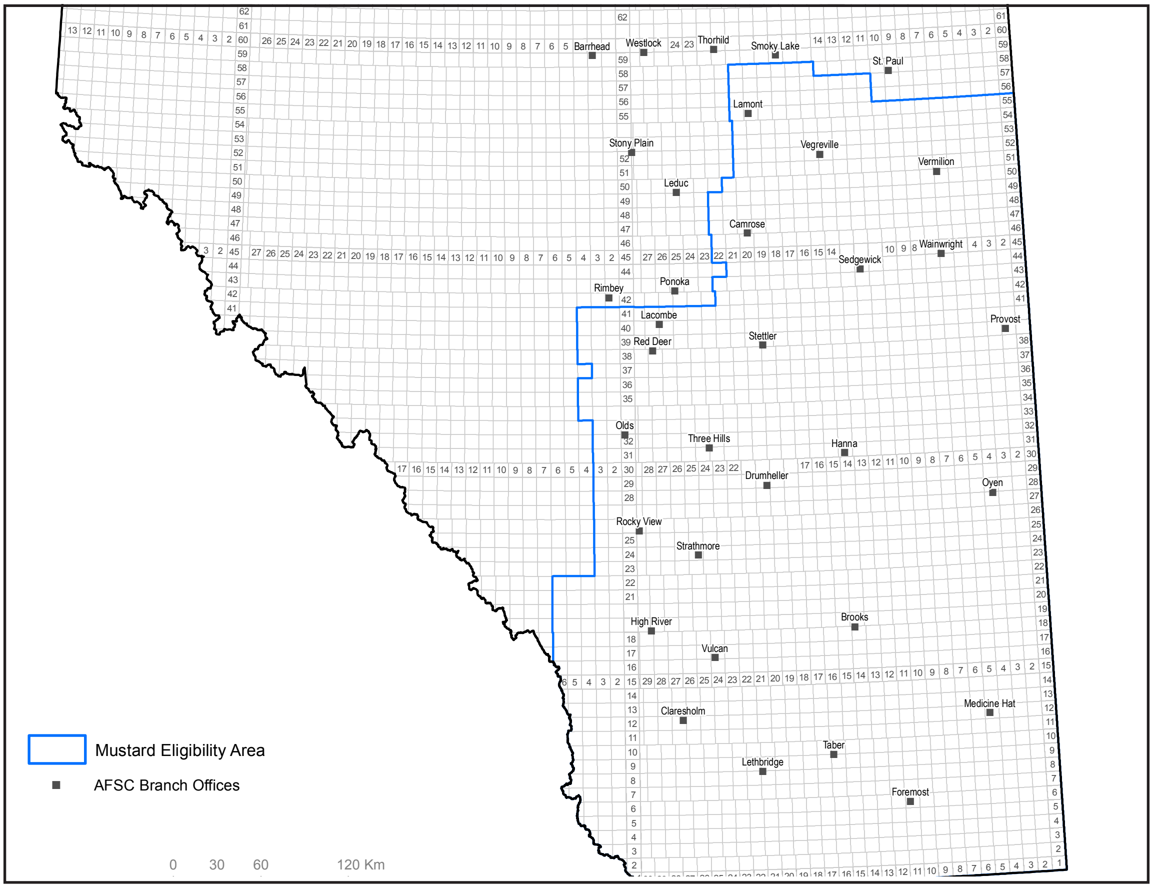
Wainwright
Sedgewick
Ponoka
Rimbey
Lacombe
Provost
Red Deer
Stettler
Olds
Three Hills
Hanna
Drumheller
Oyen
Rocky View
Strathmore
5
High River
4
Brooks
Vulcan
Medicine Hat
Claresholm
Taber
2
Lethbridge
3
Foremost

Maps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AFSC Branch Offices
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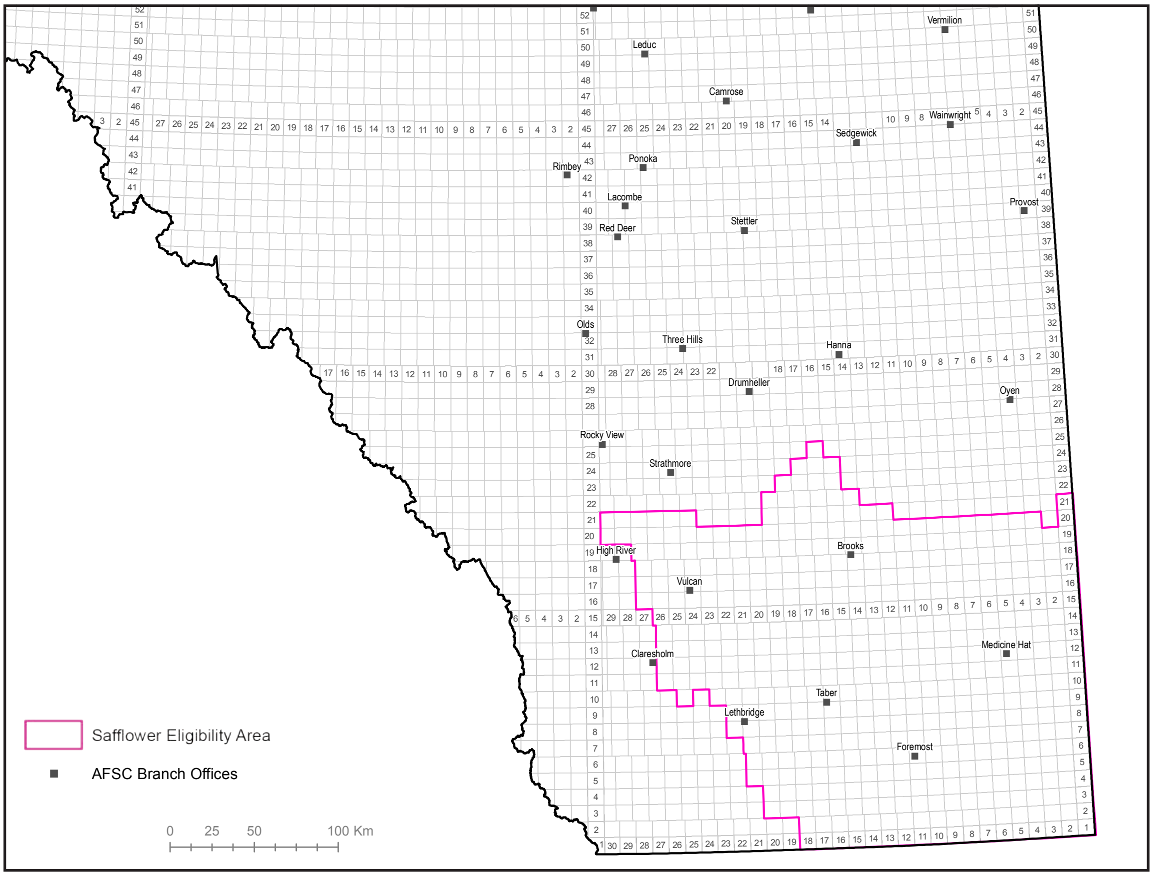
Barrhead
Westlock
Thorhild
Smoky Lake
St. Paul
Lamont
Stony Plain
Vegreville
Vermilion
Leduc
Camrose
Wainwright
Sedgewick
Rimbey
Ponoka
Lacombe
Provost
Red Deer
Stettler
Olds
Three Hills
Hanna
Drumheller
Oyen
Rocky View
Strathmore
High River
Brooks
Vulcan
Claresholm
Medicine Hat
Taber
Lethbridge
Foremost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AFSC Branch Offices
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Leduc
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Wainwright
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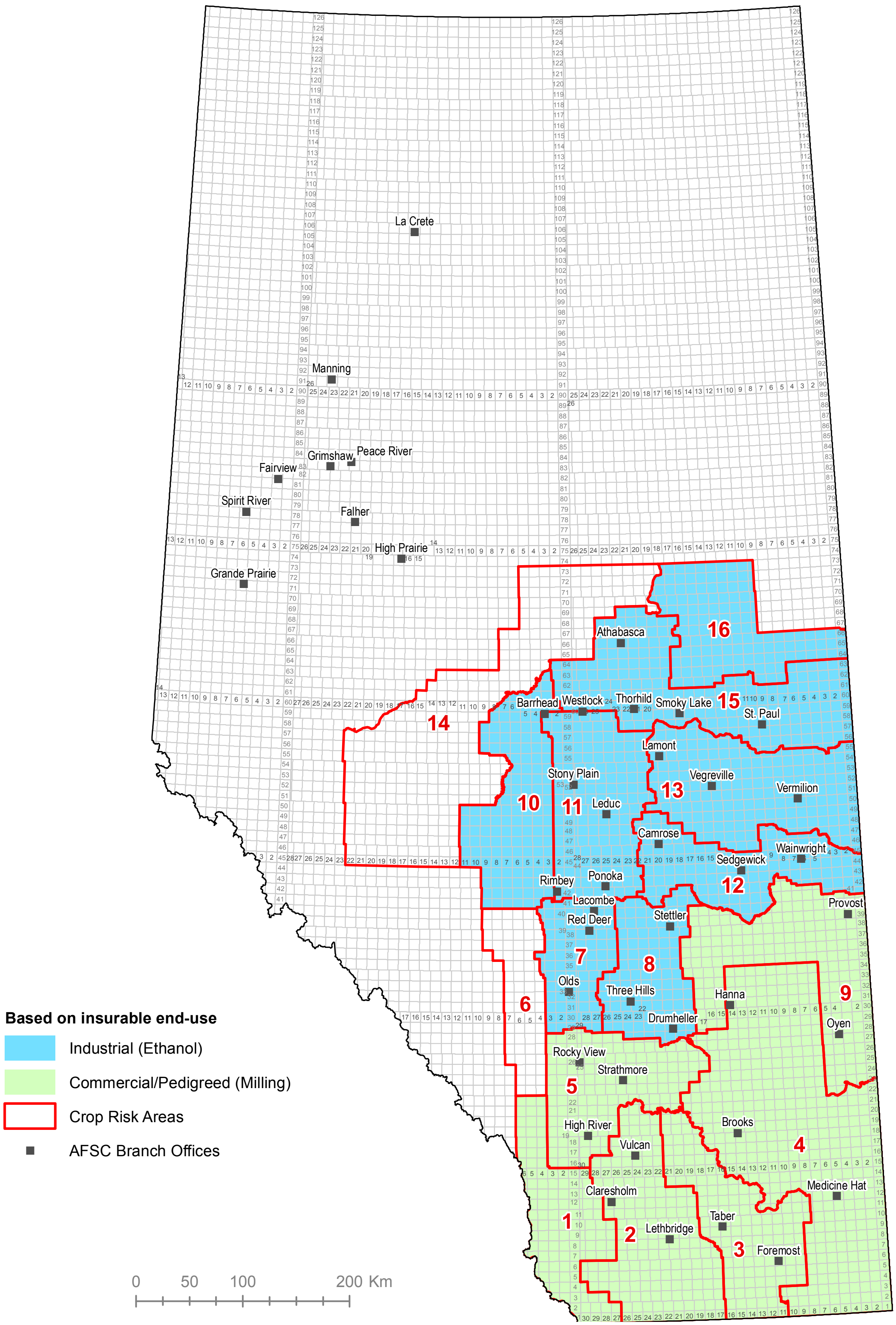
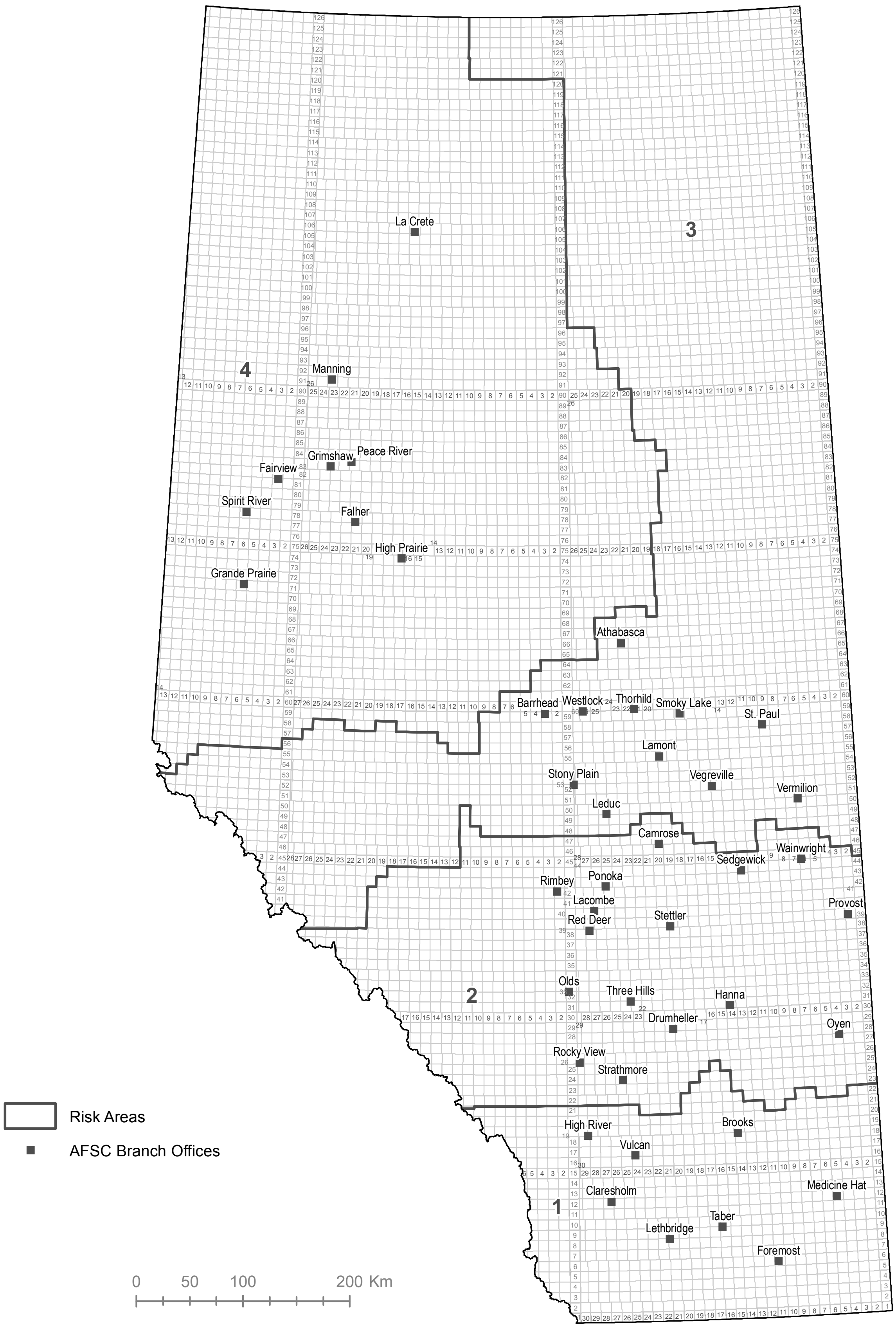
Lacombe
Provost
Red Deer
Stettler
Olds
Three Hills
Hanna
Drumheller
Oyen
Rocky View
Strathmore
High River
Brooks
Vulcan
Claresholm
Medicine Hat
Taber
Lethbridge
Foremost

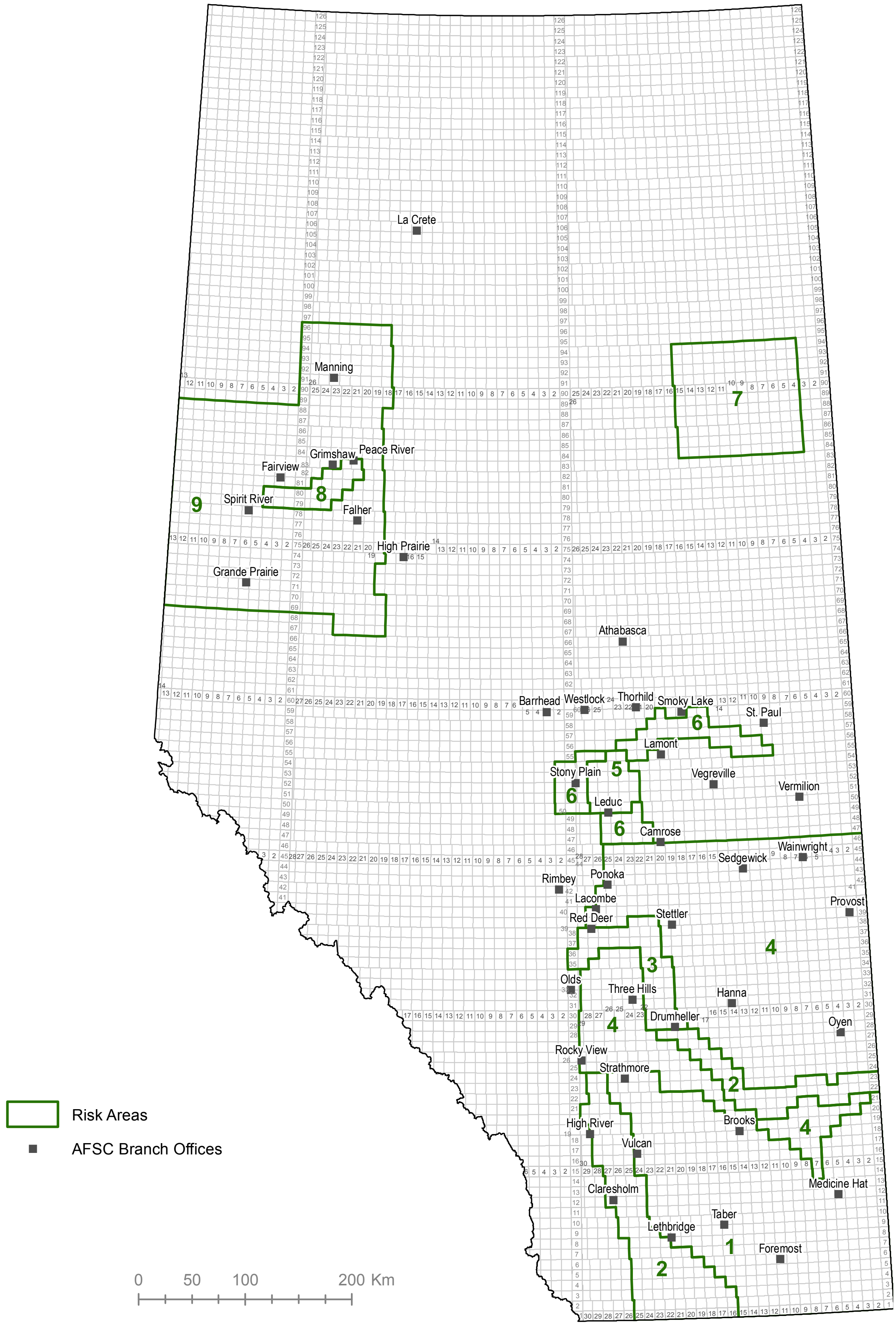
Soft White Wheat Risk Area Coverage Limits



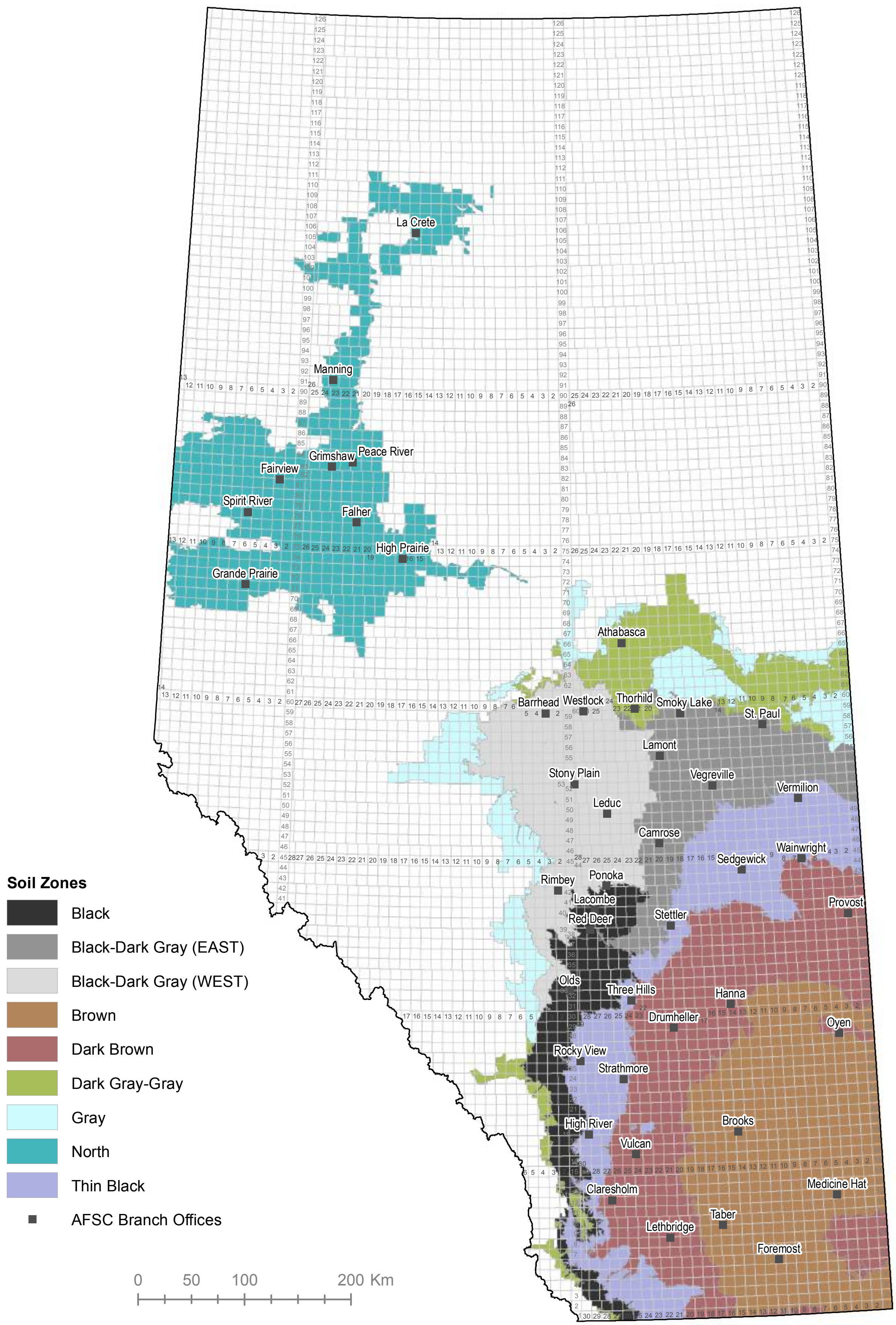
Honey and Bee Overwintering Insurance



Horticulture Risk Areas



Soil Zones


La Crete
Manning
Grimshaw
Peace River
Fairview
Spirit River
Falher
High Prairie
Grande Prairie
Athabasca
Barrhead
Westlock
Thorhild
Smoky Lake
St. Paul
Lamont
Stony Plain
Vegreville
Vermilion
Leduc
Camrose
Wainwright
Sedgewick
Rimbey
Ponoka
Lacombe
Red Deer
Stettler
Provost
Olds
Three Hills
Hanna
Drumheller
Oyen
Rocky View
Strathmore
High River
Brooks
Vulcan
Medicine Hat
Claresholm
Taber
Lethbridge
Foremost
Soil Zones
Black
Black-Dark Gray (EAST)
Black-Dark Gray (WEST)
Brown
Dark Brown
Dark Gray-Gray
Gray
North
Thin Black
AFSC Branch Offices
0
50
100
200 Km

Contract of Insurance for Annual Crops 2019

INDIVIDUAL CONTRACTS OF INSURANCE

The Contract of Insurance is legally binding on AFSC and participating insurance clients. If there is any discrepancy between wording contained in the Contract of Insurance and this Annual Crops Booklet, the Contract of Insurance takes precedence.

PART I
GENERAL PROVISIONS
Part I (General Provisions) applies to every Insuring Agreement unless stated otherwise in an Insuring Agreement or unless inapplicable because of context.

Agriculture Financial Services Corporation (hereafter referred to as “AFSC”) has the authority under the *Agriculture Financial Services Act (hereinafter referred to as the “Act”), the regulations made pursuant to the Act, and the Federal/Provincial AgriInsurance Agreement* to insure an eligible applicant in accordance with the terms and conditions of this contract in any crop year during the term of this contract. Pursuant to this Contract, and in consideration of the payment of the Premium(s) and of the statements contained in the Application for insurance, AFSC agrees to indemnify the Insured for damage caused by Designated Perils to an Insured Crop. The Premium to insure a crop in each year of the contract shall be paid in cash in full or under any terms and conditions that are made pursuant to the Act.

A. **Definitions**
The following definitions apply to all parts of this Contract unless stated otherwise in the Insuring Agreement or unless inapplicable because of context:

1. **“Acreage Tolerance”** means AFSC measured acres of an Insured Crop which are within five percent of the insured acres reported by the Insured subject to a 20 acre maximum difference between measured and reported acreage.

2. **“Act”** means the *Agriculture Financial Services Act*, Revised Statutes of Alberta, 2000, Chapter A-12, as amended.

3. **“Adjusted Production”** means the Appraised Potential Production and Harvested Production of a crop adjusted for weight, dockage, moisture, grade relative to Designated Grade, Volunteer Production, and production due to Uninsured Cause of Loss, all as determined by AFSC.

4. **“AFSC”** means the Agriculture Financial Services Corporation.

5. **“Allowance for Low Yield”** means an adjustment to the total Harvested Production and Appraised Potential Production to reduce the Yield to Count when actual yields are below threshold yields.

6. **“Application”** means the application for insurance to which this Contract applies and signed by the Insured.

7. **“Appraised Potential Production”** means the total potential production, as determined by AFSC, of an unharvested crop or a crop Put to Another Use.

8. **“Associate”** means two or more producers who have demonstrated eligibility for an independent Contract, legally, operationally and financially, but are still considered, by AFSC, to be connected in some relevant way.

9. **“Business Day”** means Monday through Friday excluding holidays observed by AFSC.

10. **“Carryover Inventory”** means crop production from prior years and purchased inventory which has not been sold by the Insured and is still in the Insured’s possession.

11. **“Contract”** means this agreement, including Part I, General Provisions, Part II, Benefits and the Insuring Agreement Parts that pertain to the crops being insured.

12. **“Coverage”** means the amount of production for a crop that AFSC insures based on the Insured’s Final Individual Normal Yield, elected Coverage Level, and number of insured acres.

13. **“Coverage Level”** means the percentage of Final Individual Normal Yield for an Insurable Crop offered by AFSC and elected by the Insured**.**

14. **“Crop Year”** means the period commencing on April 1 in one year and ending on March 31 in the next year and, where preceded by a reference to a specified year, means such a period commencing April 1 of that specified year.

15. **“Declared Acres”** means all acres seeded or intended to be seeded to an annual crop for production in the current Crop Year that the Insured reports on the Election, for the purpose of eligible acreage determination for the Unseeded Acreage Benefit.

16. **“Designated Area”** means a geographical area AFSC determines as an area for which insurance is available.

17. **“Designated Grade”** means an established grade of Canada Grain Commission or other specification, assigned by AFSC to the crop. For a list of the Insurable Crop(s) and Designated Grade(s) see Annex A.

18. **“Designated Perils”** means a designated risk or hazard against which an Insured seeks to protect themselves when purchasing a policy of insurance. For this contract of insurance the Designated Perils are limited to the following:
    a. drought, on crops insured as dryland;
    b. excessive moisture;
    c. fire by lightning;
    d. flood;
    e. frost;
    f. hail;
    g. insect infestations;
    h. plant disease;
    i. Richardson’s ground squirrels (gophers);
    j. snow;
    k. Wildlife;
    l. wind; or
    m. any other peril designated by AFSC from time to time where the peril results in a reduction in production or grade.

19. **“Dollar Coverage”** means for an Insurable Crop, the Coverage multiplied by the Insurance Price.

20. **“Election”** means a declaration by the Insured indicating the Insurable Crop(s) to be insured, the applicable Coverage Level, Declared Acres, endorsements and options.

21. **“Fall Market Price”** means, for an Insurable Crop, a market price calculated in the fall for the Province of Alberta, as determined by AFSC.

22. **“Final Individual Normal Yield”** means the yield upon which Coverage is offered to an Insured as calculated by AFSC, based upon the Insured’s cushioned and trend adjusted yield history, and if required, the Township Normal Yield(s) for all townships in which the Insured operates.

23. **“Greenfeed”** means an Insurable Crop seeded as an annual crop that is, prior to grain maturity, cut, dried and stored as livestock feed.

24. **“Harvested Production”** means the total harvested production of an Insured’s crop.

25. **“Harvested Production Report” (HPR)** means the report the Insured is required to provide to AFSC declaring production information for all Insured Crop(s).

26. **“Indemnity”** means the compensation AFSC pays for a loss incurred pursuant to this Contract.

27. **“Inspection Report”** means the report that contains the inspection details from which the loss assessment will be determined.

28. **“Inspection Strips”** means representative standing strips or swaths of the Insured Crop in such measurements as required by AFSC to determine the crop production potential. Inspection Strips are in from the edges of the field, a distance of about one-third of the width of the field, for the length of the field and a minimum of ten feet in width, for inspection by AFSC. On fields less than 100 acres, two strips are required. On fields of 100 acres or more, an additional strip must be left in the middle of the field. On fields of 100 acres or more that span multiple quarter sections, treat each quarter section as a separate field; for fields less than 100 acres, two strips are required; for fields greater than 100 acres, three strips are required.

29. **“Insurable Crop”** means a crop eligible for insurance in an Insuring Agreement.

30. **“Insurance Price”** means the value per unit of production for an Insurable Crop used to pay Indemnity and is equal to the Spring Insurance Price or the Fall Market Price, where applicable.

31. **“Insured”** means one or more of the following:
    a. individual;
    b. partnership;
    c. joint venture;
    d. corporation; or
    e. other entity or as set out on the Contract of Insurance - Schedule A.

    Whose name appears on the Application and to whom this Contract is issued.

    An Insured must be engaged in the business of growing and harvesting a crop, directly or as a custom farm employer and be legally, financially and operationally independent from another Insured, but does not include:
    i) A landowner who receives cash rent or a crop share, or
    ii) A mortgagee or security holder.

32. **“Insured Crop”** means an Insurable Crop that the Insured has elected for Coverage and reported to AFSC and which AFSC accepts for insurance.

33. **“Insuring Agreement”** means one or more of those Parts which follow Part I (General Provisions) and Part II (Benefits) of this Contract.

34. **“Land Report”** means a report provided by the Insured, in a form determined by AFSC that contains information required by AFSC pertaining to the land connected to the Insured.

35. **“Pedigreed Seed”** means seed derived from a pedigreed crop that meets the requirements of the *Seeds Act* (Canada) and Regulation.

36. **“Premium”** means the amount payable by the Insured for the Coverage under this Contract.

37. **“Prescribed Rate”** means the rate of interest which is the aggregate of two percent per year and the Canadian Imperial Bank of Commerce prime rate adjusted quarterly on the last day of September, December, March and June.

38. **“Production Loss”** means the amount the Adjusted Production is less than the Coverage for an Insured Crop.

39. **“Production Record”** means any information pertaining to the farming operations of the Insured for the purpose of determining Harvested Production and Adjusted Production.

40. **“Proxy Crop”** means the insured feedgrains in a defined area; feedgrains include Barley, Mixed Grain, Oats, Spring Rye, and Spring Triticale.

41. **“Put to Another Use”** means crop acres that were ploughed under, sprayed out, cut for feed in an immeasurable state, pastured, or put to a use other than for the production of grain, or any part of an Insured Crop that is not harvested.

42. “**Quality Loss**” means an adjustment to reflect weight, dockage, moisture content, and grade relative to the Designated Grade of a crop,

43. “**Recommended Seeding Date”** means the latest date as determined by AFSC, that a crop can be seeded in order to qualify for a Quality loss, unless stated otherwise in this Contract. AFSC, in its discretion, may deny Quality loss adjustment for crops seeded later than the dates specified.

44. **“Regulation”** means the *Agriculture Financial Services Regulation, Alberta Regulation 99/2002*, and includes the Canada-Alberta Production Insurance Agreement in effect from time to time and AFSC’s by-laws and resolutions relating to this Contract.

45. **“Report of Grain in Storage Prior to Harvest”** means a report provided by the Insured, in a form determined by AFSC, which contains information required by AFSC relative to Carryover Inventory of all Insured Crop(s) and uninsured crops whether stored on or off the farm.

46. **“Risk Area”** means a geographical area established by AFSC.

47. **“Seeding Deadline”** means the last date, as established by AFSC, to seed a crop to qualify for insurance Coverage under this Contract.

48. **“Silage”** means an Insurable Crop seeded as an annual crop that is, prior to grain maturity, cut, fermented and stored as livestock feed.

49. “Spouse” means an individual who is married or cohabiting with the Insured, including an adult interdependent partner, and who is named as spouse in the Application or whose identity as spouse is communicated to AFSC by the Insured.

50. **“Spring Insurance Price”** means, for an Insurable Crop, the Insurance Price in the spring published by AFSC.

51. **“Stage”** means a defined period of insurance for an Insurable Crop.

52. **“Statement of Loss”** means the written notice given by AFSC to the Insured setting forth the loss and Indemnity as determined by AFSC.

53. **“Stubble”** means acreage that has been in crop or has not been properly Summerfallowed as determined by AFSC in its discretion, during the year preceding the year in which the insurance is in effect.

54. **“Summerfallow”**, also referred to as fallow, means land that was left unseeded for a growing season or more where adequate and accepted methods of plant growth and weed control were practiced including:
    a. anytime during the year immediately preceding that to which the insurance applies where the land had been in alsike or red clover that preceding year; and
    b. not less than 12 months prior to seeding where the land had previously been in native sod, brush, or timber, as determined by AFSC.

55. **“Township Normal Yield”** means the long-term average production in a township as calculated by AFSC.

56. **“Uninsured Cause of Loss”** means any cause of loss that is not a Designated Peril, see Annex B

57. **“Variable Price Benefit”** means the additional Dollar Coverage provided for an Insured Crop if the Fall Market Price is applied.

58. **“Volunteer Crop”** means any crop not intentionally sown in the spring or fall.

59. **“Volunteer Production”** means a Volunteer Crop having a weight comprised of more than six percent of the Harvested Production

60. **“Waterfowl”** means ducks, geese and sandhill cranes

61. **“Wildlife”** means big game and upland game birds, as defined in the Regulation, and Waterfowl.

62. **“Yield to Count”** means the yield used to calculate the Production Loss.

B. Changes in Contract of Insurance

1. AFSC reserves the right to add to or amend this Contract to change the Insurable Crop(s), the Premium, the Coverage, the Risk Area, the Insurance Price, and other terms and conditions of this Contract at any time before or during the term of the contract.

2. Any changes to this Contract and to anything else relating to this Contract are deemed to be in effect 15 days after the earlier of publication of the Contract on the AFSC public website or notice being given to the Insured.

3. The Contract shall be subject to the provisions of the Act and Regulation and any amendments made to the Act or Regulation except for the definition of a term where the Contract alters the definition of a term that is in the Act or Regulation.

C. Waiver or Alteration

1. No term or condition of this Contract is deemed to be waived or altered unless the waiver or alteration is expressed in writing in a form authorized by AFSC and signed by a duly authorized representative of AFSC. An approved waiver by AFSC only applies to the specific thing waived at the specific time and may not serve as a waiver of any breach of this Contract.

2. Any amendments to this Contract must be in writing by AFSC to be effective.

3. The rights, remedies and privileges of AFSC under this Contract are cumulative and any one or more may be

exercised.

D. Effective Date of Contract

1. This Contract commences on the date the Application is filed by the applicant subject to acceptance by AFSC. The Contract is continuous and subject to payment of the prescribed premium, remains in effect from year to year unless stated otherwise in the Insuring Agreement, subject to Section F (Continuation, Transfer, Cancellation or Termination of Contract).
   a. application received after April 30th may not be eligible for coverage.

E. Information to be Provided

The Insured must provide AFSC any records or other information AFSC requires to adequately address the requirements for insurance and for administration of this Contract. AFSC may use this information for purposes of administering its insurance and other programs.

F. Continuation, Transfer, Cancellation or Termination of Contract

1. The Contract may be cancelled by either the Insured or AFSC, provided that notice in writing of such cancellation is received on or before April 30 in any year. If this occurs, the Contract shall end on April 30 of that year.

2. In the year of the Application, the Insured may cancel the Contract by giving AFSC written notice within five days of receipt of the Contract.

3. Where an Insured has given notice of cancellation under subsection (1 & 2), the Insured may apply in writing for reinstatement. An Application for reinstatement must be filed on or before April 30 immediately following the last calendar year in which the Contract was in force. On acceptance of reinstatement by AFSC, AFSC shall assess a premium adjustment and Final Individual Yield Normal to which the Insured would have been entitled had the Insured not submitted the notice of cancellation.

4. AFSC may cancel this Contract or any part thereof or any other Contract(s) held by the Insured with AFSC at any time when AFSC, in its discretion, determines the Insured has:
   a. breached any term of the Contract;
   b. ceased to qualify as an Insured;
   c. failed to cooperate with AFSC;
   d. failed to pay premiums when due;
   e. failed to provide documents to substantiate any claim;
   f. misrepresented or failed to disclose any material fact required to be disclosed to AFSC or provided any negligent or misleading information to AFSC relating to any crops seeded on lands covered by the Contract; or
   g. threatened or been abusive to AFSC staff, Officers, Board members or Contractors.

5. AFSC may cancel this Contract for any year when AFSC, in its discretion, determines the Insured has:
   a. failed to pay Premium or any portion of any Premium;
   b. failed to reimburse AFSC for any overpayment of Indemnities that AFSC alleges are owed by the Insured to AFSC; or
   c. failed to commit to reimburse AFSC for any outstanding Premium or overpayment of Indemnities that AFSC alleges are owed by the Insured to AFSC.

6. AFSC may cancel this Contract or Insuring Agreement if AFSC determines the participation in the program is not sufficient.
   a. At AFSC's discretion, the lack of participation in a program or plan under which insurance is offered may be applicable to the whole area in respect of which the insurance is offered or to particular areas within that whole area.
   b. If this Contract is terminated under this section, the Corporation shall within 30 days after terminating the contract of insurance refund to the Insured any unearned premiums that relate to that contract of insurance.

7. AFSC may cancel this Contract or Insuring Agreement upon written notice either mailed by registered mail to the Insured 15 days prior to the effective date of cancellation, or personally delivered to the Insured five days prior to the effective date of cancellation.

8. Upon cancellation of the Contract by AFSC the Insured will not be eligible for insurance:
   a. for the Crop Year in which the Contract is cancelled;
   b. where AFSC, in its discretion, deems it appropriate, for the next Crop Year after the Crop Year in which the Contract is cancelled; and
   c. for any other subsequent Crop Year(s) in which AFSC may, in its discretion, determine.

9. The Contract or Insuring Agreement may be cancelled where the Insured sells, leases, or otherwise disposes the insured operations on which the Contract applies and provides AFSC with written notice of cancellation and such proof of sale, lease or disposal as AFSC may require, prior to:
   a. the filing of the Land Report on or before June 20 for all other crops.

10. If the Insured sells land after April 30 and notifies AFSC in writing of the finalized sale prior to the Land Report being filed:
    a. the purchaser may cancel this Contract;
    b. the purchaser may assume the Insured's Contract if the purchaser provides the required information to AFSC and the purchased land is the only land the purchaser operates; or
    c. if the purchaser is insured with AFSC, the purchased land must be insured subject to the purchaser's Election under the purchaser's Contract.

11. If the Insured sells land after the Land Report has been filed:
    a. the insurance remains in effect and full Premium is payable.
    b. if the sale agreement includes transfer of the Insured Crop to the purchaser the following applies:
       i) if the Premium has been paid, an assignment of Indemnity to the purchaser must be completed and filed with AFSC no later than 15 days after the sale is completed; or
       ii) if the Premium has not been paid, a new Application and Land Report must be completed by the purchaser and filed with AFSC no later than 15 days after the sale is completed.

12. If the Insured sells only part of the insured acreage, the Insured must advise AFSC in writing of the finalized sale and AFSC must satisfy itself that the new purchaser's Contract is a bona fide contract.

13. In the event of the death of an Insured:
    a. if AFSC is notified prior to the filing of the Election of Insurance that the Insured has died, the Contract may be terminated.
    b. if AFSC is notified after the filing of the Election of Insurance, that the Insured has died, and the death occurred prior to the Land Report filing deadline AFSC, in its discretion, may continue or terminate the Contract.
    c. if the Insured dies after the filing of the Land Report, the Contract remains in effect until the end of the insurance year.
    d. in all cases, the Contract may be transferred to the surviving Spouse, if eligible, as per Section G (Yield and Loss Experience Records of Cancelled Contract(s)), subsection (2).

14. Subject to Section JJ (Assignment of Indemnity), the Insured shall not transfer, assign or otherwise dispose of any of the Insured's rights and benefits under this Contract to any person without AFSC's prior written consent.

15. Except as may be otherwise stated in an Insuring Agreement, the Insured may modify the current insurance Contract, and specify Declared Acres on or before April 30 of each year, on a form supplied by AFSC. If the Insured has not provided this information to AFSC on or before April 30 of each year, the previous year's Election shall apply.

G. Yield and Loss Experience Records of Cancelled Contracts

1. If the Insured or AFSC cancels this Contract or cancels an Insuring Agreement and the Insured subsequently applies again for insurance, the previous yield and loss experience will apply.

2. The previous yield and loss experience may be transferred to the surviving Spouse of an Insured provided the Spouse is eligible for insurance.

H. Separate Contracts

1. Where an Insured has more than one parcel of land, and each of these parcels are separated from the closest other parcel by 15 or more miles calculated by a straight line, the Insured may make a separate Application for each of the separate parcels provided:
   a. each Application is received by AFSC by the deadline established by AFSC;
   b. each Application is approved by AFSC; and
   c. the Insured elects the same crops, Coverage Level(s), end use(s), and applicable endorsements.

2. AFSC may separate an existing Contract into two or more Contracts if:
   a. there is a major change in distance between land locations by the addition of purchasing or renting land; or
   b. AFSC deems there to be a significant difference in productivity between the land locations.

I. Premiums

1. The Premium, any surcharges, administration fees and penalties calculated and determined by AFSC are due and payable on the date assessed.

J. Interest Charges, Liens and Overpayments

1. The Insured agrees to pay interest at the Prescribed Rate on unpaid Premium, surcharges, administration fees, penalties and other charges. Interest accrues from and including September 1 in the Crop Year and will be payable by the Insured on the first day of each following month until the total balance outstanding is paid.

2. The Insured shall pay interest at the Prescribed Rate on amounts that AFSC has paid to the Insured to which the Insured was not entitled. Unless interest is waived by AFSC, interest accrues from the date the Insured received the amounts to which the Insured was not entitled.

3. From the date that AFSC provides Coverage, AFSC has, pursuant to the Act, a lien for the following amounts:
   a. unpaid Premium;
   b. charges and fees referred to in Section I (Premiums);
   c. amounts that AFSC has paid to the Insured to which the Insured was not entitled; and
   d. Interest at the Prescribed Rate on the amounts referred to in a, b, and c.

4. The lien is on:
   a. all agricultural products grown by the Insured or in which the Insured has an interest, in the Crop Year and in each of the next three Crop Year(s);
   b. all proceeds owing to the Insured for sale of any agricultural product referred to in a; and
   c. all amounts payable to the Insured pursuant to any claim of loss or damage under any Contract of Insurance issued by AFSC.

5. Payments of the amounts owing to AFSC are enforceable by AFSC in the manner set out in the Act or by remedies generally available to AFSC at law. In addition to the amounts referenced herein, the Insured also agrees to pay all charges, costs or expenses incurred by AFSC, including its administrative and clerical costs, and its legal expenses on a solicitor and his own client full indemnity basis, related to the enforcement of this Contract..

K. Coverage Restrictions

1. AFSC, in its discretion may limit, restrict, exclude or deny Coverage in whole or in part for insurance for the following:
   a. in the event AFSC determines by April 30 in a Crop Year that an Insured has a high risk of Production Loss;
   b. where the land to be insured is located outside of the Designated Area(s);
   c. where the land to be insured is unsuitable or improperly prepared for crop production;
   d. where the land is known to be unproductive;
   e. where the Insured does not have an insurable interest or ownership interest in the land or any part thereof where the crops are being grown;
   f. where the land is subject to repeated flooding or where excess moisture is a recurring problem;
   g. crop varieties, as determined by AFSC on the recommendation of Agriculture & Agri-Food Canada, the Canadian Grain Commission or Alberta Agriculture and Forestry, to be unregistered, deregistered or unsuitable for the area in which they are sown;
   h. the crop is a volunteer crop;
   i. crops which are seeded later than the Recommended Seeding Date(s), and in all cases a crop seeded after the Seeding Deadline(s) specified in the Insuring Agreements;
   j. the Insured made or makes major changes in management practices, acreage, land location, confirmed yields or experience;
   k. the insured acres do not meet the minimal insurable acres of the designated crop;
   l. the Insured makes a change material to AFSC's risk without notifying AFSC thereof and AFSC accepting the same risk; or
   m. any other practice or action taken by the Insured that would prove detrimental or limit production to the Insured Crop.

L. Liability if More than One Person is the Insured

If more than one person is the Insured, any obligations of the Insured shall be binding upon all such persons jointly and severally.

M. Authorization

1. If the Insured authorizes a representative to act on the Insured's behalf, the representative must be authorized in writing on a form acceptable to AFSC.

2. Any notice, report, or document may be completed and signed by the Insured's properly authorized representative, and is binding on the Insured.

N. Land Report

1. Each year the Insured has a deadline of April 30 for the Application and confirmation of insurance, Election, Coverage, and reporting of Declared Acres.

2. April 30 in the year following seeding for filing a Land Report:
   a. for fall seeded crops;
   b. spring crops seeded in the fall; or
   c. all other grass and legume crops grown for seed purposes as specified within the Insuring Agreement.

3. The deadline to file a Land Report by the Insured is on or before June 20 except as otherwise specified in the individual Insuring Agreements.

4. AFSC reserves the right to reject requests for changes to the Land Report after the filing deadline of June 20.

5. The Land Report shall be completed in a form determined acceptable by AFSC.

6. Except as otherwise specified in the individual Insuring Agreements, and when applicable, the Insured must declare the number of seeded acres of each Insured Crop on Summerfallow or Stubble, on dryland or irrigated land, the variety seeded, the cropping and tillage practice, seeding date(s), and the legal land description for the location of each Insured Crop.

7. Where the Insured fails to file a Land Report by the June 20 deadline in accordance with the conditions outlined under subsections (3), (4) and (5) of this section above, AFSC may, in its discretion:
   a. accept the Land Report and assess a penalty to be paid by the Insured if received by June 25,
   b. determine the acreage seeded by an Insured and file a Land Report for the Insured which shall be binding on the Insured, or
   c. cancel this Contract or any part thereof for the current year. The Insured is not eligible for insurance the following year.

O. Insured Acres

1. Clients shall insure all eligible acreage of each selected Insuring Agreement and these acres are not insurable under any other crop insurance program, except for applicable endorsements or AFSC has consented in writing.

2. For the Insured whose land was previously measured by AFSC and where acres reported on the Land Report are different than AFSC measurements, AFSC will accept the Land Report if the Insured provides a satisfactory explanation for the change.

3. If AFSC determines acres of an Insured Crop and the crop and/or acres differ from those reported by the Insured, the following will apply:
   a. When completing acceptance inspections or acreage verifications, AFSC will issue a revised Statement of Coverage and Premium based on the crop type and actual number of seeded acres calculated by AFSC and any Indemnity calculation will also be based on the actual acres.
   b. When completing all other inspections:
      i) if the measured or established acreage is within Acreage Tolerance, there is no revision to the Statement of Coverage and Premium and the reported insured acres are used in the calculation of the Indemnity.
      ii) if the measured acres are outside the Acreage Tolerance compared to acreage shown on the Land Report, AFSC may issue a revised Statement of Coverage and Premium and the Indemnity calculation shall be based on the actual number of seeded acres calculated by AFSC.
      iii) AFSC is not obligated to pay an Indemnity on the additional acres if a loss has previously occurred.
      iv) AFSC may remove the All Crops Insured Discount if additional acres are outside of Acreage Tolerance.

4. AFSC is not required or in any way obligated to revise or adjust its calculation of insured acres for any preceding year.

P. Obligation to Insure Entire Acreage

All the seeded acreage of Insured Crop(s) must be insured. Acreage intended for uninsured Silage, uninsured Greenfeed, pasture, summer grazing, or winter grazing may be excluded by the Insured if requested on or before June 20.

Q. Inspection Procedures

The procedures set out in AFSC's On Farm Inspection Field Procedure manual shall be used in the assessment of production and insurable loss of an Insured Crop.

R. Validation of Insured Acreage

AFSC shall have the right to inspect any Insured Crop or insured hives and in its discretion change Coverage or reject insurance.

S. Irrigation Coverage

1. Insurable Crop(s) grown on irrigated land are eligible for separate Coverage in accordance with the terms and conditions of this Contract if:
   a. crops are declared as irrigated;
   b. there is an adequate source of water;
   c. the Insured has reliable irrigation equipment;
   d. adequate irrigation water is applied on a timely basis; and
   e. the Insured maintains an up-to-date log showing the dates and approximate amounts of rainfall and irrigation water applied to each Insured Crop.

2. AFSC may reclassify the Insured Crop as grown on Stubble or Summerfallow, on dryland, or apply Uninsured Causes of Loss if:
   a. the Insured fails to fulfill all or part of the conditions in subsection (1); or
   b. drought is considered by AFSC to be a contributing cause of loss.

3. Irrigated acres are insured separately from dryland acres of the same crop:
   a. acres must be identified as irrigated or dryland on the Land Report; and
   b. production from irrigated and dryland acres must be stored and reported separately.

T. Insured Crop Put to Another Use

1. Acreage of Insured Crop(s) Put to Another Use must first be released by AFSC.

2. AFSC, in its discretion, may defer the appraisal on a damaged Insured Crop which the Insured intends to Put to Another Use.

3. When the Insured has accepted the Appraised Potential Production on any portion of an Insured Crop, no further appraisal will be made on that portion unless, and at the sole discretion of AFSC, substantial damage occurs before the Insured can put the crop to some other use within a reasonable period of time. Such inspection may be subject to a re-inspection administrative fee.

4. Where an Insured Crop is Put to Another Use without first being assessed and/or released by AFSC, or where AFSC shall deem the Appraised Potential Production to be zero and the uninsured causes to be equal to Coverage on the acres Put to Another Use.

5. Where Inspection Strips or exclosures are authorized by AFSC for all inspection types, the Insured is required to leave representative Inspection Strips or set up appropriate exclosures, or AFSC will deem the Appraised Potential Production to be zero, and the uninsured loss to be equal to Coverage on the acres Put to Another Use.

U. Harvested Production Report

1. The Insured shall provide AFSC with a completed Harvested Production Report for all Insured Crop(s) on or before November 15 in each Crop Year unless otherwise specified in the Insuring Agreement.

2. Harvested Production Reports received after November 15 in the Crop Year may be assessed a late filing fee.

3. If the Harvested Production Report is not submitted by the Insured before December 31, the yield will be recorded as zero and no Indemnity will be calculated.

4. The Insured may request corrections or revisions to the existing Harvested Production Report record for a Crop Year, up to August 15 of the next Crop Year by providing supporting documentation that is satisfactory to AFSC.

V. Production Assessment

1. Where, after the Harvested Production Report is filed, total production of an Insured Crop is less than total Coverage after consideration of grade, weight, dockage, and moisture content, AFSC will determine Adjusted Production.

2. Adjusted Production of delivered or sold production of an Insured Crop will be assessed based on the cash purchase tickets or the agreed upon grade, weight and moisture content that the final cash purchase tickets will be issued on.

3. Notwithstanding subsection (2), the grade of delivered or sold production will be deemed to be Designated Grade if:
   a. the reported grade is not representative of Harvested Production or is not reasonable, as determined by AFSC, or
   b. an accurate sample of the Insured Crop production is not provided for production sold to an unlicensed buyer.

4. The grade of production fed prior to AFSC taking a sample will be deemed to be Designated Grade.

5. If the Harvested Production contains an amount of other grains or seeds that exceeds six percent by weight of the sample and is separable, the other grains and seeds shall be calculated by AFSC to the equivalent value of the Insured Crop and shall be included as part of the Adjusted Production.

W. Pro-Rating of Production

AFSC may combine production or calculate production from an Insured's crop in a manner determined by AFSC including but not limited to combining, combining and prorating and pro-rating of production.

1. AFSC may adjust the reported production if an Insured fails to retain:
   a. insured production separate from other insured or uninsured production;
   b. Harvested Production separate from Carryover Inventory;
   c. irrigated production separate from dryland production;
   d. commercial production separate from pedigreed production;
   e. insured production separate from insured or uninsured production of another producer; or
   f. stored production separately for each Insuring Agreement where there are two or more of the same Insuring Agreement type for one Insured.

2. If an Insured's yield from insured production is deemed by AFSC to be unreasonable in comparison to the Insured's yield from uninsured production, AFSC in its descrestion, may pro-rate production in such a manner as AFSC deems approprate.

3. If an Insured shares storage facilities, land, or equipment, and AFSC is unable to distinguish the production belonging to the Insured, AFSC may, in its discretion, divide any combined production in such a manner as AFSC deems approprate. Such a calculation shall be binding on the Insured.

4. AFSC, in its discretion, otherwise determines it is necessary.

X. Notice of Loss

1. An Insured wishing to make a claim for a loss must provide to AFSC a notice of loss, in a manner acceptable to AFSC, and in a time period as follows:
   a. on or before June 20 for unseeded acreage;
   b. within 14 days after the day the crop was damaged by hail or fire;
   c. on or before November 15 for filing Harvested Production Report; and
   d. at least 24 hours and preferably 72 hours prior to harvest if a crop is damaged by Wildlife.

2. If the Insured is late in filing a Notice of Loss AFSC may reject the claim.

Y. Carryover Inventory and Uninsured Production

1. AFSC may count Carryover Inventory and uninsured production as part of the Harvested Production if the Insured fails to report, store separately and/or identify previous year's production or grain purchases. The Insured shall:
   a. report all Carryover Inventory on the Report of Grain in Storage Prior to Harvest prior to the commencement of harvest and no later than August 15;
   b. advise AFSC of the existence of all purchased and uninsured production of an Insured Crop;
   c. advise AFSC on request, of the land location(s) where Carryover Inventory and uninsured production is stored;
   d. store Carryover Inventory and uninsured production of an Insured Crop separate from Harvested Production or any other kind of production, or the production of another producer, and in such manner that its identity is maintained; and
   e. identify Carryover Inventory and uninsured production sold since August 1 on sales receipts.

Z. Uninsured Causes of Loss

1. This Contract does not insure Production Loss or Quality Loss due to any causes not included in the list of Designated Perils. For a list of Uninsured Causes of Loss see Annex B.

2. If AFSC pays no Indemnity because of an Uninsured Cause of Loss, AFSC will not refund any portion of the Premium and the Insured is not relieved from paying any outstanding Premium.

3. Any loss in production or quality due to an Uninsured Cause of Loss, as determined by AFSC, will be added in the calculation of Adjusted Production for the determination of an Indemnity, but will not be included in the calculations of Final Individual Normal Yield.

AA. Allowance for Low Yield

1. Allowance for Low Yield is included with yield loss Coverage for cereal, oilseed and pulse crops.

2. Allowance for Low Yield will be applied to the Harvested Production adjusted for dockage, moisture, grade relative to Designated Grade, Volunteer Production, and production due to Uninsured Cause of Loss.

3. Allowance for Low Yield will be applied on a field by field or subfield basis to the Appraised Potential Production, adjusted due to an Uninsured Cause of Loss, when applicable.

4. Adjusted Production after allowance cannot be less than assessed uninsured causes.

5. Refer to the Program Information Booklet for the rates and crops as determined by AFSC.

BB. Audit and Acceptance of Assessment

1. AFSC reserves the right to inspect, re-inspect, or conduct an audit on the Insured Crop and the Insured's records and revise the assessment of the crop loss at any time.

2. If the Insured refuses to allow an assessment or re-inspection, AFSC will refuse to pay any Indemnity under this Contract for that year.

3. If the Insured refuses to allow an assessment, re-inspection or audit, all yields for all crops insured that year will be recorded as zero, and AFSC may cancel this Contract or any part thereof or any other Contract(s) held by the Insured with AFSC for a period of time that is at the discretion of AFSC.

CC. Records and Access

1. The Insured shall keep and produce to AFSC immediately upon demand: all fertilizer invoices, crop Production Record(s), seeded acreage records, crop delivery records, and all records of farm income and farm expenses (collectively referred to hereinafter as "the Insured's records") for each year that the Insured has a Contract of Insurance with AFSC and for six consecutive prior fiscal years. If the Insured has not been insured by AFSC for six consecutive prior fiscal years, all of the Insured's records for each year that the Insured has a contract of insurance with AFSC and for each prior consecutive fiscal year that the Insured has been insured by AFSC.

   Without limiting the generality of the forgoing, AFSC shall have immediate access to all of the Insured's records immediately upon demand made to the Insured by AFSC, and the Insured shall immediately upon such demand deliver all of the Insured's records to AFSC.

   If any of the Insured's records are in the possession of any other party, the Insured hereby consents to the immediate release of all of such records to AFSC, whether or not the Insured's records contain the Insured's personal information or are otherwise subject to the provisions of any privacy legislation in Canada or elsewhere. Upon request or demand made to the Insured by AFSC, the Insured shall immediately direct any other party in possession of the insured's records to immediately deliver the Insured's records to AFSC.

2. By entering into this Contract with AFSC, the Insured hereby grants AFSC an irrevocable license for the duration of the Contract to access all lands and to all production storage facilities owned or leased by, or otherwise under the direct or indirect control or direction of, the Insured. Pursuant to this license, AFSC shall have an immediate right of entry to such lands or production facilities, without notice to the insured, sufficient in the absolute discretion of AFSC to allow AFSC to survey, audit, inspect, estimate and examine the Insured's:
   a. Insurable Crop(s);
   b. Production;
   c. Carryover Inventory;
   d. production storage facilities; and
   e. any and all Insured's records, and any and all documents relating to the Insured's records, or the information contained in the Insured's records,

   and any such access by AFSC shall not constitute a trespass on any of the Insured's property.

3. The Insured agrees that AFSC and any person acting for AFSC may have access to the Insured's records to which this Contract relates and for the purposes of determining any information required under

this Contract.

4. Upon AFSC's request for access to Production Record(s) and other records, the Insured must produce the records within a timeframe set out by AFSC.

5. AFSC may at any time request that any person provide AFSC with Production Record(s) relating to this Contract for any Crop Year, and the Insured, by entering into this Contract, is deemed to have authorized and consented to the release of the required information to AFSC. If AFSC is unable to obtain records from parties other than the Insured, the Insured will take whatever steps are necessary to obtain the information and produce it to AFSC at the cost to the Insured.

6. If the Insured fails to comply with any part of this section, AFSC may refuse to pay any Indemnity until the Insured has remedied the failure to comply.

7. At AFSC's request, the Insured shall submit to examination under oath and produce all documents that relate to the matters in question.

DD. Misrepresentation or Misconduct

1. If the Insured or the Insured's authorized representative has provided any fraudulent, false or misleading statement or information to AFSC, then: (i) the Insured will not be entitled to any Indemnity for the Crop Year in which the fraudulent, false or misleading statement or information is provided; and (ii) in its sole and unfettered discretion, AFSC's may cancel this contract, or may cancel any other, or all, contracts of insurance, made between AFSC and the Insured, or made between AFSC and a party related to the Insured for a period of time determined by AFSC.

2. If AFSC determines that the Insured has engaged in farming practices, management procedures or operations which directly or indirectly contributed to a loss for which the Insured is claiming an Indemnity, AFSC, in its discretion, may:
   a. reduce Coverage
   b. reduce the amount of an Indemnity by an amount AFSC determines was caused by the said farming practices, management procedures or operations, with such reduction possibily eliminating the payment of an indemnity altogether;
   c. cancel this Contract; or
   d. cancel any other, or all, contracts of insurance made between with AFSC and the Insured.

3. If the loss or damage claimed by the Insured results from reasons stated in subsection (1) or (2), AFSC will not refund to the Insured any portion of the Premium, and the Insured is not relieved from paying any outstanding Premium or any amount due and payable to AFSC.

EE. Claims for Loss

1. A claim for loss under the Contract must be made:
   a. within the deadline stipulated in an Insuring Agreement; or
   b. before December 1 in the calendar year in which the loss is claimed to have occurred, if no claim deadline is stipulated in an Insuring Agreement.

2. Upon receipt of a claim for loss:
   a. where AFSC processes a claim, AFSC will serve the Insured with a Statement of Loss.
   b. where AFSC's process is to conduct an inspection, following the inspection, AFSC will serve the Insured with a copy of the Inspection Report

3. If the Inspection Report results in no payment, or if as a result of the Inspection Report the claim for loss is withdrawn by the Insured the Inspection Report will be considered to be the final Statement of Loss for the claim by the Insured and no further Statement of Loss will be issued by AFSC.

4. If the Insured does not, within seven days of service of the Inspection Report advise AFSC of the Insured's disagreement with the report, AFSC will issue the Statement of Loss according to the Inspection Report.

5. After an inspection, pursuant to 2.b., if the Insured, within seven days of service of the Inspection Report:
   a. advises AFSC of the Insured's disagreement with the report; and
   b. requests a re-inspection,

   AFSC will conduct a re-inspection, and no Statement of Loss will be issued until after the re-inspection has been conducted.

AFSC reserves the right to charge a fee for client requested re-inspection of crops, or re-grading of samples.

6. When AFSC has conducted an inspection and issued an Inspection Report and a Statement of Loss, and the Insured has a dispute relating to the Statement of Loss and requests a re-inspection, AFSC will only review the Statement of Loss if the Insured notifies AFSC of the request for a re-inspection within seven days from the day that the Insured is served with the Inspection Report.

7. Service of the Inspection Report or a Statement of Loss may be effected on the Insured by:
   a. personal service;
   b. ordinary mail or registered mail, in which case service is deemed to have been effected;
      i) seven days from the date of mailing if the document is mailed in Alberta to an address in Alberta, or
      ii) 14 days from the date of mailing if the document is mailed to an address located outside of Alberta; or
   c. by facsimile, email or other electronic means in accordance with AFSC's most recent records for the Insured.

8. Where there is more than one Insured in respect of the crop loss for which an inspection has been made, service of the Inspection Report or Statement of Loss on one of the Insured is deemed to be service on all the Insureds.

FF. Appeals

1. The Insured's right of appeal is subject to the Act and Regulation and nothing in this section is to be construed as modifying or altering any appeal provision in the Act and Regulation.

2. An action or proceeding against AFSC for the recovery of insurance money or for any other action relating to the Contract must be commenced no later than one year after the date of the decision being appealed. To appeal, the Insured must complete the *Notice of Appeal*, which states the reasons for the appeal, and pay the applicable fee.

3. The Insured may appeal any matter arising out of this Contract, but referencing Section EE (Claim for Loss) 5 above, the Insured may only appeal a Statement of Loss if the Insured has notified AFSC within the time period required by Section EE (Claim for Loss) 6 above.

4. An Insured who receives an Indemnity is not precluded from filing a notice of appeal within the required one year time limit.

5. If an Indemnity in respect of the matter under appeal has already been paid, adjustments or revisions to the Indemnity revisions will be made once the Appeal has been concluded or withdrawn.

6. The decision of the appeal committee is final.

GG. Period of Insurance for Indemnity Assessment

1. Except as may be otherwise stated in an Insuring Agreement, an Indemnity shall be calculated for the period commencing with the time the Insurable Crop is seeded and shall end at the earlier of:
   a. the time the Insured Crop or any part of it is put to a use other than that for which it was originally intended;
   b. the time the Insured Crop is harvested; or
   c. November 30 of the year in which the Insured Crop would normally have been harvested unless such times are extended by AFSC, in its discretion.

2. If the Insured has production from a crop harvested after November 15, that production is to be reported and is included in the Insured's Harvested Production for the year in which the crop would normally be harvested.

HH. Payment of Indemnity

1. Where there is more than one Insured under a Contract, AFSC will pay any Indemnity to all Insured persons jointly, or with written confirmation of all insured persons or interested parties, to any of them severally or separately, as the case may be and further provided that AFSC, in its discretion, may elect to pay any Indemnity to each Insured person in proportion to their respective interests as disclosed in the Application or, if their respective interests have not been so disclosed, to each Insured person equally or the designated Insured.

2. AFSC shall use its best efforts to process and pay Indemnities on a timely basis, but in no circumstances shall AFSC be liable to the Insured or the Insured's agents or creditors for any interest, loss of interest or damage resulting from delays or failure to pay an Indemnity.

3. The Insured must notify AFSC within 15 days of the Statement of Loss if the Insured disagrees with the amount of Indemnity.

II. Deductions from Indemnities

1. By virtue of the Act, AFSC is entitled to deduct from an Indemnity any amount that is due and payable by the Insured to AFSC including but not limited to:
   a. unpaid Premium due by the Insured to AFSC for programs administered according to the Act;
   b. money AFSC has paid to the Insured to which the Insured was not entitled; and
   c. arrears outstanding on a loan made by AFSC to the Insured.

2. If the Insured is entitled to an Indemnity under this Contract or Insuring Agreement and to compensation for loss due to damage caused by Wildlife, any Wildlife Damage Compensation Program payments will be deducted from any subsequent Indemnity paid under this contract. No Indemnity will be paid for that loss that is paid by a Wildlife Damage Compensation Program administered by AFSC.

3. If more than one person is the Insured, AFSC maintains the right to treat the Insureds either jointly or severally as AFSC deems appropriate.

4. AFSC may be required by legal process to deduct amounts from an Indemnity.

JJ. Assignment of Indemnity

1. The Insured may assign the right to an Indemnity, provided that:
   a. they have the legal authority to execute such an assignment;
   b. the assignment is in a form approved by AFSC;
   c. AFSC is in receipt of a copy of the assignment; and
   d. the assignment is accepted in writing by AFSC.

2. Where the Insured has assigned the right to an Indemnity in accordance with this Contract, payment up to the amount stated in the assignment will be made in the name of the assignee and sent to the assignee.

KK. Notice and Payments

1. Except as stated otherwise in this Contract, any notice given under this Contract is deemed given to the other party if given personally, sent by facsimile or other electronic means or sent by mail as follows:
   a. if to the Insured, delivered personally or sent to the most recent address, facsimile number or email address of the Insured indicated in AFSC's own records; or
   b. if to AFSC, delivered personally to any AFSC office, sent to any AFSC office facsimile number or email address for AFSC set out in AFSC's literature or on its website or where permitted by AFSC, communicated by telephone to any telephone number for AFSC set out in AFSC's literature or on its website.

2. A Notice of Loss given under this Contract is deemed given to AFSC if delivered personally, sent by mail, sent by facsimile, email or other electronic means or communicated by telephone to any AFSC Branch Office.

3. Except as stated otherwise in this Contract, any payment to be made under this Contract delivered personally or sent by mail or electronic fund transfer as follows:
   a. if to the Insured, delivered personally or sent to the most recent address of the Insured indicated in AFSC's records; or
   b. if to AFSC, delivered personally to any AFSC office, sent to any AFSC office or email address for AFSC set out in AFSC's literature or on its website.

4. Any notice or payment under this Contract sent by ordinary mail is be deemed to have been received on the fifth Business Day after the date on which the notice was deposited in a regularly maintained post office receptacle. If there is disruption, strike or interruption of postal service after mailing and prior to receipt or deemed receipt, the notice is deemed to have been received on the fifth Business Day following full resumption of postal service.

5. A notice sent to AFSC by facsimile, email or other electronic means or communicated to AFSC by telephone is deemed to have been received on the date shown by AFSC's record of receipt.

6. A notice given or a payment made by personal delivery to any AFSC Branch Office that is only open for business on a part-time basis is deemed received on the next Business Day following the date of delivery that the AFSC Branch Office is open for business. Any notice or payment required before the next Business Day that the Branch Office is open for business must be given or made by one of the other methods provided for in this section.

7. Either party may change an address for service by giving written notice of such change to the other party.

LL. Binding Effect
This Contract shall be for the benefit of and binds the successors and assigns of the parties.

MM. Canadian Currency
All references to dollar amounts in this Contract are in Canadian currency.

NN. Conflict with the Insuring Agreement
Any conflict between Part I (General Provisions) and Part II (Benefits) and an Insuring Agreement is to be resolved in favour of the Insuring Agreement.

OO. Headings
The headings in this Contract have been included for convenience only and do not define, limit or enlarge the scope or meaning of this Contract or any part of it.

PP. Governing Law
This Contract shall be governed by the laws of the Province of Alberta.

QQ. Severability
If any provision of this Contract is illegal, invalid or unenforceable, that provision shall be severable and the remaining provisions of this Contract shall remain in full force. They will be binding upon the parties as though such unenforceable provision had never been included.

RR. Time of the Essence
Time is of the essence of this Contract.

PART II: BENEFITS

A. Indemnity by Stages of Insurance

The general Stage(s) are described in this section. The specific Stage(s) for each Insured Crop are described in the applicable Insuring Agreement. The amount of the Indemnity payable on an Insured Crop is dependent upon the Stage of the crop at the time of filing a Notice of Loss. The same Stage(s) will apply to fall seeded and spring seeded crops except that fall seeded crops will not be adjusted in the year of seeding

AFSC maintains the right to change the Stage of Indemnity, which, in the opinion of AFSC, should have been filed in a different time period than the actual time of filing.

1. **Stage 1 on or before June 20**
   Where the Insured has, on or before June 20 any year, incurred a loss from Designated Perils on one or more parcels of seeded land and meets minimum acreage requirements and AFSC releases and confirms the damaged acres as per Part I Section T Insured Crop Put to Another Use, then either (i) the reseeding Indemnity will be determined as specified by AFSC for each crop on damaged acres; or (ii) an Appraised Potential Production of not less than fifty (50) per centpercent of Coverage by crop will be assessed.
   a. If the reseeding Indemnity will be determined as specified by AFSC for each crop on damaged acres, then:
      i) where the Insured has re-seeded to an elected crop by the specified Seeding Deadline of the crop reseeded to, Premium will be charged for the crop reseeded to and the crop will be insured.
      ii) where the Insured has re-seeded to a non-elected crop, or reseeded to an elected crop after the specified Seeding Deadline of the crop reseeded to, or has not reseeded, Premium will not be calculated and Coverage will not be provided.
      iii) AFSC shall not pay a reseeding Indemnity on crops for which the Insured has elected a 50 percent Coverage Level.
   b. If an Appraised Potential Production of not less than 50 percent of Coverage by crop will be assessed, then Crop Premium will be charged on the full acres.
      i) if only a portion of the total acreage of an Insured Crop is released because of damage, the amount of the appraisal from the acres Put to Another Use will be added to the Adjusted Production from the remaining acreage of the Insured Crop.

2. **Stage 2 on or after June 21**
   a. if the Insured notifies AFSC of a loss from Designated Perils on or after June 21 and before November 30 in each year, an Indemnity shall be calculated as follows:

      [{(Individual Coverage Normal Yield x Coverage Level x Number of Insured Acres) - Adjusted Production} x Insurance Price] - Wildlife Damage Compensation Program payments.

   b. before AFSC pays post-harvest Indemnity the Insured must file a Harvested Production Report.

   c. in no case, for an Insurable Crop, shall the combined Indemnities under any Insuring Agreement (including the Hail Endorsement and Spring Price Endorsement Insuring Agreements), Wildlife Damage Compensation, and Unharvested Acreage Indemnity exceed total Dollar Coverage for that crop under this Contract.

B. Variable Price Benefit

For each eligible crop, AFSC will invoke the Variable Price Benefit for each Insuring Agreement unless otherwise stipulated.

Fallback methodology for determining Fall Market Price
In the event that price information originating from published fall price methodology for an Insurable Crop(s) is not available or stops being available during the Fall Market Price period, at its best discretion AFSC maintains the right to develop and implement an alternative price methodology for Fall Market Price determination to replace or augment pricing for that crop(s) in that year.

Agreement ceases to be enforceable
If a fallback price methodology as described above, cannot be developed for the Insurable Crop or its proxy crop, this Agreement will cease to be enforceable against AFSC for that Insurable Crop and cease to have any effect against AFSC. AFSC will then return to the Insured the paid Premium, less any applicable discount for that Insurable Crop.

C. Unseeded Acreage Benefit

1. If the Insured has not completed seeding on or before June 20 because of excessive moisture, and has initiated a request for inspection on or before June 20, AFSC shall pay Indemnities on the eligible acres at the lesser of:
   a. the determined compensation level; or

b. the 50 percent Coverage Level multiplied by the Spring Insurance Price for the dryland and irrigated predominant crop(s) insured by the Insured the previous year. If the producer was not insured the previous year, the predominant dryland and irrigated Insured Crop(s) in the Risk Area will be used.

2. Acres are not eligible for the Unseeded Acreage Benefit when they are seeded for harvest in the current Crop Year, unless they have qualified for a reseeding benefit and could not be reseeded on or before June 20 because of excessive moisture.

3. An Indemnity will be paid provided:
   a. the Insured, in the discretion of AFSC, had adequate access to equipment, labour and supplies to have otherwise seeded the unseeded acres;
   b. the land, in the discretion of AFSC, is ready or otherwise could have been ready for a seeded crop;
   c. the land that was seeded to perennial crop for hay, pasture or seed has been worked or sprayed at a rate sufficient to kill the crop in the previous year, and the acreage is declared to be seeded to an annual crop by April 30; and
   d. the land in the discretion of AFSC, is not subject to repeated flooding or where excess moisture is not a recurring problem.

4. Eligible acres are calculated on a quarter section basis using cultivated acres not seeded due to excess moisture, less five percent of total cultivated acres.

5. The sum of [total acres seeded + total eligible acres + total deductible] cannot exceed the Declared Acres.

6. An Indemnity payment made in accordance with this section may be made on land rented or purchased after April 30, but before June 1, provided AFSC has received a signed rental agreement or contract of sale by June 1.

D. Unharvested Acreage Benefits

Where the Insured has not completed harvesting on or before November 30 (unless otherwise specified in an Insuring Agreement) because of the onset of winter as determined by AFSC:

1. The Insured will be eligible for an extension of the Period of Insurance (as per clause GG.1.c.) provided:
   a. Harvested Production Report indicating the unharvested acres is filed with AFSC subject to Part I, Section U of this Contract;
   b. Adjusted Production, excluding total potential production from the unharvested crop, does not equal or exceed Coverage;
   c. the Insured, in the discretion of AFSC, had adequate access to equipment and labour to have otherwise harvested the unharvested acres; and
   d. AFSC, in its discretion, considers it impractical to have harvested the crop.

2. Acres eligible for an extension of the Period of Insurance and where the unharvested acreage exceeds 20 percent of the insured acres for each eligible crop, AFSC shall pay the Insured an Unharvested Acreage Indemnity equal to 25 percent of the Insured’s average Dollar Coverage per acre for the Insured Crop multiplied by eligible unharvested acres in excess of 20 percent of the total insured acreage of that crop.

3. Acres harvested after the filing of the Harvested Production Report but prior to the unharvested assessment, will be deemed harvested at the date of the filing of the Harvested Production Report and will not be eligible for the Unharvested Acreage Indemnity.

4. When the Unharvested Acreage Indemnity is added to the Hail Endorsement and Wildlife Damage Compensation Program payments it cannot exceed total Dollar Coverage for that crop.

5. The Unharvested Acreage Indemnity made to the Insured shall be a partial payment towards any further claims and will be deducted from any additional payments. If the calculated loss on a subsequent claim is less than the Unharvested Acreage Indemnity made or no further claim is made on the crop, the Insured shall not be obliged to return the Unharvested Acreage Indemnity to AFSC.

INDIVIDUAL CONTRACTS OF INSURANCE

PART III CEREAL AND OILSEED CROPS INSURING AGREEMENT
AFSC will indemnify the Insured against damage caused by Designated Perils to Cereals and Oilseeds, subject to the following terms and conditions:

A. Definitions
In this Insuring Agreement:
1. **"Insurable Crop"** means Barley, Camelina, Canary Seed, Canola, Flax, Hemp Grain, Mixed Grain, Brown Mustard, Oriental Mustard, Yellow Mustard, Oats, Fall Rye, Spring Rye, Spring Triticale, Winter Triticale, Canada Prairie Spring Wheat, Canada Northern Hard Red Wheat, Canada Western Special Purpose Wheat, Durum Wheat, Extra Strong Red Spring Wheat, Red Spring Wheat, Red Winter Wheat, or Soft White Spring Wheat..

B. Conditions
1. **Minimum Insurable Acres**:
   There is no minimum number of acres, however for Coverage that is less than 30 acres the Harvest Production for the specific crop will be excluded in from the calculation of the Insured's Final Individual Normal Yield.

2. **Seeding Deadlines**
   The last date, as established by AFSC, to seed a crop to qualify for Production Insurance Coverage:
   a. May 31 – Camelina
   b. June 20 – Hemp Grain
   c. June 20 - The seeding deadline for all other cereals and oilseeds

3. **Recommended Seeding Dates**
   The latest date a crop may be seeded in order for the production to qualify for a Quality Loss adjustment.
   May 31 – Argentine Canola, Polish Canola, Hybrid Canola Seed, Canary Seed, Flax, Brown Mustard, Oriental Mustard, Yellow Mustard, Oats, Canada Prairie Spring Wheat, Canada North Hard Red Wheat, Canada Western Special Purpose Wheat, Durum Wheat, Extra Strong Spring Wheat, Hard Red Spring Wheat, Soft White Spring Wheat.
   June 5 – Barley, Spring Rye, Spring Triticale.
   September 20 (previous year) – Fall Rye, Winter Triticale**,** Winter Wheat (North of Bow River).
   September 30 (previous year) – Fall Rye, Winter Triticale, Winter Wheat (South of Bow River);

4. **Contract Requirements**
   a. For an Insured to elect malting end use for barley, the Insured must provide a contract from a licensed buyer and have a minimum of 40 tonnes contracted.

5. **Restrictions**
   a. Hemp Grain is insurable as a crop under this Insuring Agreement only if grown under contract on irrigated land in designated Risk Areas as determined by AFSC. Insured acres must also be grown under license by Health Canada to be eligible for an Indemnity.
   b. Soft White Spring Wheat, Durum Wheat, and Mustard production must be within the designated Risk Areas as determined by AFSC.
   c. Spring Price Endorsement and Variable Price Benefit are not available for Camelina or Hemp Grain under this Agreement.
   d. Reseeding benefit is not available for Camelina.
   e. Malt and commercial barley cannot be insured under the same contract in a single crop year. If both malt and feed varieties (defined by AFSC) are grown on the same farm, the Coverage will be restricted to commercial on all barley acres grown.

6. **Fall Market Price based on proxy crop**
   a. the Fall Market Price for Mixed Grain, Oats, Fall Rye, Spring Rye, Spring Triticale, or Winter Triticale will be its Spring Insurance Price times the percentage change between the Spring Insurance Price and the Fall Market Price for 1 CW Barley, as determined by AFSC.
   b. the Fall Market Price for Soft White Spring Wheat grown for the ethanol market will be its Spring Insurance Price times the percentage change between the Spring Insurance Price and the Fall Market Price for 2 CWSWS Soft White Spring Wheat, as determined by AFSC.

C. Indemnities
1. An Indemnity shall be calculated as per PART II Section A (Indemnity by Stages of Insurance)
   a. reseeded acres benefits require a minimum of ten acres.

PART IV: PULSE CROPS INSURING AGREEMENT
AFSC will indemnify the Insured against damage caused by Designated Perils to Pulse crops, subject to the following terms and conditions:

A. Definitions

In this Insuring Agreement:

1. **"Insurable Crop"** means Black/Other Dry Beans, Yellow Dry Beans, Great Northern Dry Beans, Pink Dry Beans, Pinto Dry Beans, Small Red Dry Beans, Desi Chickpeas, Kabuli Chickpeas, Faba Beans, Field Peas, Red Lentils or Green Lentils.

2. **"Ascochyta blight"** means a seed and residue-borne disease caused by the fungus Ascochyta rabiei.

B. Conditions

1. **Minimum Insurable Acres**
   Each Insurable Crop shall be grown on a minimum of five acres.

2. **Seeding Deadlines**
   The last date, as established by AFSC, to seed a crop to qualify for Production Insurance Coverage:
   a. May 25 for Chickpeas, Faba Beans and Lentils
   b. June 1 for Field Peas
   c. June 10 for Dry Beans

3. **Restrictions**
   a. **Dry Beans**
   Dry Beans is an Insurable Crop only if grown on irrigated land in areas designated by AFSC.
   b. **Chickpeas**
   the following conditions apply to Chickpeas:
   i) only Ascochyta blight-resistant varieties are insurable;
   ii) untreated seed must be tested for Ascochyta blight at an accredited lab and be free of seed-borne Ascochyta blight (less than 0.3%) before seeding;
   iii) seed treatment for seed borne Ascochyta blight, seedling blight and seed rot is required on all Chickpeas;
   iv) seed analysis certificate from the lab must be provided when filing the Land Report;
   v) in-crop fungicide application to control disease outbreak is required;
   vi) Chickpeas may not be seeded on land that had Chickpeas seeded within the last three years; and
   vii) must be within the designated Risk Areas for Chickpea production as determined by AFSC

4. **Fall Market Price based on proxy crop**
   The Fall Market Price for Faba Beans will be its Spring Insurance Price times the percentage change between the Spring Insurance Price and the Fall Market Price for No. 3 Canada Field Peas, as determined by AFSC.

C. Indemnities

1. An Indemnity shall be calculated as per PART II Section A Indemnity by Stages of Insurance.
   a. the reseeded acres benefit requires a minimum of five acres.

PART V ORGANIC CROPS INSURING AGREEMENT
AFSC will indemnify the Insured against damage caused by Designated Perils to organic crops, subject to the following terms and conditions:

A. Definitions
In this Insuring Agreement:
1. **"Insurable Crop"** means Barley, Canola, Field Peas, Flax, Oats, Fall Rye, Spring Rye, Winter Triticale, Spring Triticale, Canada Prairie Spring Wheat, Canada Northern Hard Red Wheat, Canada Western Special Purpose Wheat, Durum Wheat, Extra Strong Wheat, Red Spring Wheat, Hard Red Spring Wheat, Hard Red Winter Wheat or Soft White Spring Wheat.

B. Conditions
1. **Membership Requirement**
A client must be certified organic by a Canadian Food Inspection Agency approved certifying agency in the year insured. When organic certification will be obtained in the same crop year, clients must provide a Letter of Transmittal or suitable precertification documents to AFSC by April 30.

2. **Applicable Insuring Agreements**
Crops insured under this Insuring Agreement shall also be insured under the following applicable Insuring Agreements:
a. Part III - Cereal and Oilseed Crops Insuring Agreement
b. Part IV - Pulse Crops Insuring Agreement

3. **Dollar Coverage per Acre**
Dollar Coverage per Acre for an Insurable Crop will be determined by adjusting the Spring Insurance Price for commercial crops by set conversion factors on a crop by crop basis.

4. **Commercial Acreage Insured**
If a crop is insured under this Insuring Agreement, all acreage of the crop must be insured with the same end use Organic. Other crops can be insured with a different end use (Commercial, Pedigreed) in the respective Insuring Agreement listed in subsection (2) when insurance is available.

5. **Minimum Insurable Acres**
Minimum acreage restrictions for the commercial crops specified in the Insuring Agreement listed in subsection (2) applies to this Insuring Agreement and a minimum $25 of actual premium per insurance subscription applies.

6. **Recommended Seeding Dates & Seeding Deadlines**
Recommended seeding dates and seeding deadlines for the commercial crops specified in the Insuring Agreements listed in subsection (2) applies to this Insuring Agreement.

7. **Acceptance of Organic Status**
The Insured must make available to AFSC the organic certification and documents as required by AFSC. In the event that certification will be completed in the same crop year, clients are eligible for organic coverage at the start of the crop year by providing a Letter of Transmittal or suitable precertification documents to AFSC by April 30. To maintain organic coverage, clients would need to provide their organic certification in the fall.

8. **Restrictions**
a. Spring Price Endorsement and Variable Price Benefit are not available under this Insuring Agreement.
b. Transitional acres can be insured with the end use of organic providing a Letter or Transmittal or suitable precertification documents are provided to AFSC by April 30, and full organic certification status is obtained and provided to AFSC in the fall of the same crop year.

9. **Loss of Organic Certification or Organic Certification not Obtained**
Coverage and Premium of this Insuring Agreement remains unchanged and in place. AFSC will assume that all available conventional management practices are at the disposal of the client and in the event of a loss, Uninsured Causes of Loss would be applied.

C. Indemnities
The Indemnities under the Stage(s) identified in the individual Insuring Agreements listed above in Section B (Conditions) subsection 2 (Applicable Insuring Agreements) applies to this Insuring Agreement.

PART VI SAFFLOWER AND SUNFLOWER INSURING AGREEMENT

AFSC will indemnify the Insured against damage caused by Designated Perils to Safflower and Sunflower, subject to the following terms and conditions:

A. Definitions

In this Insuring Agreement **"Insurable Crop"** means Confectionary Sunflower, Oilseed Sunflower, or Safflower.

B. Conditions

1. **Minimum Insurable Acres**
   Each Insurable Crop shall be grown on a minimum of five acres.

2. **Seeding Deadlines**
   The last date, as established by AFSC, to seed a crop to qualify for Production Insurance Coverage:
   a. May 15 for Safflower.
   b. May 20 for Confectionary Sunflower and Oilseed Sunflower.

3. Must be within the designated Risk Areas for Grain Corn production as determined by AFSC.

C. Indemnities

1. An Indemnity shall be calculated as per Part II Section A (Indemnity by Stages of Insurance).
   a. The reseeded acres benefit requires a minimum of five acres.

PART VII PEDIGREED CROPS INSURING AGREEMENT
AFSC will indemnify the Insured against damage caused by Designated Perils to pedigreed crops, subject to the following terms and conditions:

A. Definitions
In this Insuring Agreement:
1. **"Insurable Crop"** means Alfalfa, Barley, Black Dry Beans, Yellow Dry Beans, Great Northern Dry Beans, Pink Dry Beans, Pinto Dry Beans, Small Red Dry Beans, Canary Seed, Canola, Hybrid Canola, Desi Chickpeas, Kabuli Chickpeas, Faba Beans, Creeping Red Fescue, Flax, Hemp Grain, Red Lentils, Green Lentils, Brown Mustard, Oriental Mustard, Yellow Mustard, Oats, Field Peas, Seed Potatoes, Fall Rye, Spring Rye, Timothy, Spring Triticale, Winter Triticale, Canada Prairie Spring Wheat, Canada Northern Hard Red Wheat, Canada Western Special Purpose Wheat, Durum Wheat, Extra Strong Red Spring Wheat, Red Spring Wheat, Red Winter Wheat, Soft White Spring Wheat, or the variety of the Insurable Crop shall be eligible for certification as Pedigreed Seed in Canada.

2. **"Field Inspection"** means an inspection by the Canadian Food Inspection Agency, or by the seed contracting company to whom the Insured is selling the crop.

B. Conditions
1. **Membership Requirement**
The Insured shall be a member of The Canadian Seed Growers' Association or, in the case of Field Peas and Hybrid Canola, have contracted the sale of the crop to a seed contracting company approved by AFSC.

2. **Applicable Insuring Agreements**
Crops insured under this Insuring Agreement shall also be insured under the following applicable Insuring Agreements:
   a. Part III - Cereal and Oilseed Crops Insuring Agreement
   b. Part IV - Pulse Crops Insuring Agreement
   c. Part VIII - Commercial & Pedigreed Creeping Red Fescue Insuring Agreement
   d. Part IX - Pedigreed Alfalfa Seed Insuring Agreement
   e. Part X - Pedigreed Timothy Seed Insuring Agreement
   f. Part XI – Pedigreed Hybrid Canola Insuring Agreement
   g. Part XIV - Potato Insuring Agreement

3. **Commercial Acreage Insured**
If a crop is insured under this Insuring Agreement, the commercial acreage of the same crop must be insured in the respective Insuring Agreement listed in subsection (2) when insurance is available.

4. **Minimum Insurable Acres**
Minimum acreage restrictions for the commercial crops specified in the Insuring Agreement as listed in subsection (2) applies to this Insuring Agreement.

5. **Recommended Seeding Dates & Seeding Deadlines**
Recommended seeding dates and seeding deadlines for the commercial crops specified in the Insuring Agreements as listed in subsection (2) also apply to this Insuring Agreement.

6. **Acceptance of Pedigreed Status**
The Insured must make available to AFSC the application for Field Inspection and documents as required by AFSC.

7. **Loss of Pedigreed Coverage Due to Uninsured Causes**
Coverage and Premium of the crop under this Insuring Agreement shall revert to Coverage and Premium for the commercial crops specified in the Insuring Agreements listed in subsection (2) when due to uninsured causes the Insured:
   a. fails to meet the standards set by the Canadian Seed Growers' Association;
   b. fails to pass the Field Inspection; or
   c. fails to meet the standards of the seed contracting company to whom the Insured is selling the crop.

8. **Failure to Pass Field Inspection Due to Designated Perils**
   If the crop fails to pass the Field Inspection due to a Designated Peril, or the Insured chooses not to proceed with the Field Inspection, the Insured shall contact AFSC and request an AFSC inspector to conduct a pre-harvest inspection.
   a. if a pre-harvest inspection is completed, the Coverage and Premium of the crop under this Insuring Agreement shall remain in effect.
   b. if a pre-harvest inspection is not completed, the Coverage and Premium of the crop under this Insuring Agreement shall revert to Coverage and Premium for the commercial crops specified in the Insuring Agreements as listed in subsection (2).

9. **Failure to Pass Field Inspection and No Coverage Available for Commercial Crop**
   If the crop fails to pass the Field Inspection due to uninsured causes, or due to Designated Perils but without having had a pre-harvest inspection completed, and there is no insurance Coverage offered under the Insuring Agreement for the commercial crop, the Coverage will be cancelled and the paid Premium refunded.

10. **Field Inspection and Crop Certificate Number**
    a. the Insured Crop must qualify for pedigreed status as required by the Seeds Act (Canada) and Regulation before the Insured's crop can be insured under this Insuring Agreement.
    b. indemnities shall not be payable by AFSC to the Insured unless AFSC is in receipt of a field certificate number and crop certificate number except for Field Peas and Hybrid Canola that are contracted with a seed production company approved by AFSC.

11. **Grade and Germination Test**
    All crops shall be graded and at AFSC's discretion, germination test will be performed at a certified laboratory designated by AFSC.

12. **Determination of Fall Market Price for Pedigreed Crops**
    The Fall Market Price for pedigreed Barley, Canary Seed, Oats, Fall Rye, Spring Rye, Spring Triticale, Winter Triticale, Canada Prairie Spring Wheat, Durum Wheat, Extra Strong Red Spring Wheat, Red Spring Wheat, Red Winter Wheat, Canada Northern Hard Red Wheat, Canada Western Special Purpose or Soft White Spring Wheat, will be its determined Fall Market Price for commercial production multiplied by 1.20. The variety of the Insurable Crop shall be eligible for certification as Pedigreed Seed in Canada.

    The Fall Market Price for pedigreed Black Dry Beans, Yellow Dry Beans, Great Northern Dry Beans, Pink Dry Beans, Pinto Dry Beans, Small Red Dry Beans, Canola, Desi Chickpeas, Kabuli Chickpeas, Faba Beans, Flax, Field Peas, Red Lentils, Green Lentils, Brown Mustard, Oriental Mustard, or Yellow Mustard will be its determined Fall Market Price for commercial production multiplied by 1.30. The variety of the Insurable Crop shall be eligible for certification as Pedigreed Seed in Canada.

C. Indemnities

The Indemnities under the Stage(s) identified in the Insuring Agreements listed in Section B (Conditions) subsection 2 (Applicable Insuring Agreements) apply under this Insuring Agreement.

PART VIII: COMMERCIAL & PEDIGREED CREEPING RED FESCUE INSURING AGREEMENT
AFSC will indemnify the Insured against damage caused by Designated Perils to Commercial & Pedigreed Creeping Red Fescue grown for seed production, subject to the following terms and conditions:

A. Definitions
In this Insuring Agreement:
1. **"Insurable Crop"** means Commercial Creeping Red Fescue or Pedigreed Creeping Red Fescue grown for seed production. The variety of Pedigreed Creeping Red Fescue shall be eligible for certification as Pedigreed Seed in Canada.

2. **"Clip Year"** means the year the Insured Crop is seeded if seeded without any other crops, or the year after, if the Insured Crop is seeded with an annual crop.

3. **"Production Year"** means a year in which the Insured intends to harvest creeping red fescue seed.

4. **"Rejuvenation"** means practices which includes the following:
   a. harvested field ploughed or disced immediately after harvest; and
   b. after the field has been ploughed or disced, the field is leveled and either a cover crop is seeded or the field is left undisturbed with the exception of clipping and spraying for weeds.

B. Conditions
1. **Minimum Insurable Acres**
   Each Insurable Crop shall be grown on a minimum of 20 acres.

2. **Seed Years Eligible for Insurance**
   a. **First Seed Year**
      The first year of seed production shall be the year after the Clip Year.
   b. **Second Seed Year**
      Fields in their second year of seed production can only be insured if those same fields were insured in their first year of seed production.
   c. **Seed Year after Rejuvenation**
      After the Rejuvenation year and subject to an acceptance inspection by AFSC, the Insured shall be limited to insuring one crop at full Coverage on that parcel of land.

3. **Second Year Adjustment to Coverage**
   When a crop at a specific land location is harvested for two consecutive years, Coverage, as expressed in insured acres, shall be reduced by 70 percent of an amount the previous year's Adjusted Production exceeds the Final Individual Normal Yield. The maximum reduction applied would not exceed 50 percent of the total acres for that land location.

   The reduction formula is:
   (current year's Final Individual Norm Yield @ 70%) - (previous year's Adjusted Production – current year's Final Individual Normal Yield) x 70%

4. **Land Report Deadline**
   At the time of Election, but no later than April 30, the insured shall file a Land Report which declares the entire acreage seeded to the crop and indicates whether or not the fields are in a production year.

5. **Harvested Production Report**
   The Insured shall provide AFSC with a completed Harvested Production Report no later than September 15 in each Crop Year.

6. **Restrictions**
   The Variable Price Benefit unseeded acreage benefit, and unharvested acreage benefit are not available under this Insuring agreement.

C. Indemnities

1. **Stage 1 prior to May 1**
   No Indemnity is payable for loss in any year prior to May 1.

2. **Stage 2 on or after May 1 to September 15**
   An Indemnity shall be calculated based on full Coverage for each Insured Crop as per Part II Section A (Indemnity by Stages of Insurance) subsection 2 (Applicable Insuring Agreements).

3. **Indemnity shall be calculated for the Crop Year and Coverage shall end at the earlier of**:
   a. the time the Insured Crop or any part of it is put to a use other than that for which it was originally intended;
   b. the time the Insured Crop is harvested; or
   c. September 15 of the year in which the Insured Crop would normally have been harvested unless such times are extended by AFSC, in its discretion.

PART IX: PEDIGREED ALFALFA SEED INSURING AGREEMENT

AFSC will indemnify the Insured against damage caused by Designated Perils to Alfalfa grown for the production of Pedigreed Seed, subject to the following terms and conditions:

A. Definitions

In this Insuring Agreement:

1. **"Insurable Crop"** means Alfalfa grown for the production of Pedigreed Seed. The variety of the Insurable Crop shall be eligible for certification as Pedigreed Seed in Canada.

2. **"Production Year"** means a year after the crop is seeded.

3. In addition to the Designated Perils listed in Part 1 A Definitions, Pedigreed Alfalfa will also be covered for winter kill.

B. Conditions

1. **Minimum Insurable Acres**
   The Insurable Crop shall be grown on a minimum of 20 acres.

2. **Minimum Number of Leaf-cutter Bees**
   The number of leaf-cutter bees as recommended by AFSC shall be maintained and the information made available to AFSC on request.

3. **Land Report Deadline**
   At the time of Election, but no later than April 30, the insured shall file a Land Report which declares the entire acreage seeded to the crop and indicates whether or not the fields are in a Production Year.

4. **Restrictions**
   The Variable Price Benefit, unseeded acreage benefit, and unharvested acreage benefit are not available under this Insuring Agreement.

C. Indemnities

1. **Stage 1 on or before June 20**
   Appraised Potential Production will be determined and shall not be less than 50 percent of Coverage; and any Indemnity shall not exceed 50 percent of the Dollar Coverage.

   In lieu of an Indemnity the Insured may select a Premium refund on damaged acres.

2. **Stage 2 on or after June 21**
   An Indemnity shall be calculated based on full Coverage of the Insured Crop as per Part II Section A (Indemnity by Stages of Insurance) subsection 2 (Applicable Insuring Agreements).

PART X: PEDIGREED TIMOTHY SEED INSURING AGREEMENT
AFSC will indemnify the Insured against damage caused by Designated Perils to Timothy grown for the production of Pedigreed Seed, subject to the following terms and conditions:

A. Definitions
In this Insuring Agreement:
1. **"Insurable Crop"** means Timothy grown for the production of Pedigreed Seed. The variety of the Insurable Crop shall be eligible for certification as Pedigreed Seed in Canada.
2. **"Establishment Year"** means the year in which the crop is seeded.
3. **"Production Year"** means a year in which the Insured intends to harvest Pedigreed Timothy Seed.

B. Conditions
1. **Minimum Insurable Acres**
   The Insurable Crop shall be grown on a minimum of 20 acres.
2. **Production Years**
   After the initial establishment year and subject to acceptance inspection by AFSC, the Insured shall be limited to insuring three crops on a parcel of land.
3. **Fertilizer Required**
   All crops shall have a minimum of 50 pounds of nitrogen applied per acre each year.
4. **Land Report Deadline**
   At the time of Election, but no later than April 30, the insured shall file a Land Report which declares the entire acreage seeded to the crop and indicates whether or not the fields are in a production year.
5. **Harvested Production Report Deadline**
   The Insured shall provide AFSC with a completed Harvested Production Report no later than September 15 in each Crop Year.
6. **Restrictions**
   The Variable Price Benefit, unseeded acreage benefit, and unharvested acreage benefit are not available under this Insuring Agreement.

C. Indemnities
1. **Stage 1 prior to May 1**
   No Indemnity is payable for loss in any year prior to May 1.
2. **Stage 2 after May 1 to September 15**
   An Indemnity shall be calculated based on full Coverage of the Insured Crop as per Part II Section A (Indemnity by Stages of Insurance) subsection 2 (Applicable Insuring Agreements).
3. Indemnity shall be calculated for the Crop Year and Coverage shall end at the earlier of:
   a. the time the Insured Crop or any part of it is put to a use other than that for which it was originally intended;
   b. the time the Insured Crop is harvested; or
   c. September 15 of the year in which the Insured Crop would normally have been harvested unless such times are extended by AFSC, in its discretion.

PART XI: PEDIGREED HYBRID CANOLA INSURING AGREEMENT
AFSC will indemnify the Insured against damage caused by Designated Perils to Pedigreed Hybrid Canola grown under irrigation, subject to the following terms and conditions:

A. Definitions
In this Insuring Agreement:
1. “**Insurable Crop”** means Canola grown for the production of Pedigreed Seed under a hybrid seed production system approved by AFSC. The variety of the Insured Crop shall be eligible for certification as Pedigreed Seed in Canada.

B. Conditions
1. **Membership Requirements**
The Insured Crop must be grown under contract between the Insured and a seed contracting company approved by AFSC. AFSC requires that a signed Declaration of Hybrid Seed Production Contract be attached to the Land Report as proof of contract with an AFSC approved Hybrid Seed Production Company.

2. **Minimum Insurable Acres**
The Insurable Crop shall be grown on a minimum of five acres.

3. **Recommended Seeding Date**
The latest date a crop may be seeded in order for the production to qualify for a Quality Loss adjustment is May 31.

4. **Minimum Germination**
The minimum germination rate of 90 percent for Canada Certified #1 will apply only for Quality Loss factor.

5. **Determination of Net Harvested Production**
For the purpose of this Insuring Agreement, net Harvested Production will be determined as 95 percent of all production from Insured acres delivered to an approved contracting company prior to cleaning.

6. **Restrictions**
a. the Variable Price Benefit is not available under this Insuring Agreement.
b. the Insurable Crop shall be grown on irrigated land only.

7. **Indemnities Received from Other Sources**
Indemnities received from other sources will be deducted from Indemnities owing by AFSC, if it is determined, the Indemnity received from other sources is for a loss covered by this Insuring agreement.

C. Indemnities
1. An Indemnity shall be calculated as per Part II Section A (Indemnity by Stages of Insurance)
a. the reseeded acres benefit requires a minimum of five acres.

D. Exclusions
1. AFSC does not cover losses resulting from:
a. reduced hybridity; or
b. the failure to meet minimum seed purity requirements.

PART XII: GRAIN CORN INSURING AGREEMENT

AFSC will indemnify the Insured against damage caused by Designated Perils to Grain Corn, subject to the following terms and conditions:

A. Definitions

In this Insuring Agreement:

1. **"Insurable Crop"** means Grain Corn.

B. Conditions

1. **Minimum Insurable Acres**
   The Insurable Crop shall be grown on a minimum of five acres.

2. **Seeding Deadlines**
   The last date, as established by AFSC, to seed a crop to qualify for Production Insurance Coverage is May 15.

3. **Restrictions**
   a. the Insurable Crop shall be grown on irrigated land and shall be irrigated only by a pivot system.
   b. must be within the designated Risk Areas for Grain Corn production as determined by AFSC.

4. **Conversion Factor for Silage**
   Where grain corn is put up for Silage, grain corn yields shall be deemed to be equal to 40 percent of the Silage dry matter weight.

C. Indemnities

1. An Indemnity shall be calculated based on full Coverage of the Insured Crop as per Part II Section A (Indemnity by Stages of Insurance):

   Stage 1 on or before June 20
   Appraised Potential Production will be determined and shall not be less than 50 percent of Coverage; and any Indemnity shall not exceed 50 percent of the Dollar Coverage.

   In lieu of an Indemnity the Insured may select a Premium refund on damaged acres.

PART XIII: SUGAR BEET INSURING AGREEMENT

AFSC will indemnify the Insured against damage caused by Designated Perils to Sugar Beets subject to the following terms and conditions:

A. Definitions

In this Insuring Agreement **"Insurable Crop"** means Sugar Beets.

B. Conditions

1. **Membership Requirement**
   The Insurable Crop must be grown under contract with a licensed processor.

2. **Minimum Insurable Acres**
   Each Insurable Crop shall be grown on a minimum of five acres.

3. **Seeding Deadlines**
   The last date, as established by AFSC, to seed a crop to qualify for Production Insurance Coverage is June 7.

4. **Restrictions**
   a. The Insurable Crop shall be grown on irrigated land.
   b. The Variable Price Benefit is not available under this Insuring Agreement.

C. Indemnities

1. An Indemnity shall be calculated as per Part II Section A (Indemnity by Stages of Insurance).
   a. The reseeded acres benefit requires a minimum of five acres.
   b. Appraisals, weight, dockage and extractable sugar are taken into account in arriving at the final Adjusted Production.

PART XIV: POTATO INSURING AGREEMENT

AFSC will indemnify the Insured against damage caused by Designated Perils to Potatoes, subject to the following terms and conditions:

A. Definitions

In this Insuring Agreement:

1. **"Insurable Crop"** means Chip Potatoes, Fry Potatoes, Seed Potatoes, Table Potatoes (Russet) and Table Potatoes (Other).

2. **"Certified Class Seed Potato"** means a potato tuber, or any part thereof that is certified pursuant to the provisions of the *Seeds Act* (Canada) for seed reproduction.

3. **"Class"** means a class of Seed Potatoes established by the *Seeds Act* (Canada).

B. Conditions

1. **Membership Requirement**
   The Insured must be a producer licensed by the Potato Growers of Alberta.

2. **Contract Requirement**
   The insured must have a production contract with a recognized processor to insure fry potatoes or chip potatoes.

3. **Minimum Insurable Acres**
   Each Insurable Crop shall be grown on a minimum of five acres.

4. **Insurable Varieties**
   The entire seeded acreage shall be insured with the exception of those varieties classed as "early" by AFSC that may, but need not be insured. The acreage of all Potatoes, including "early" varieties not insured, must be reported on the Land Report.

5. **Seeding Deadlines**
   The last date, as established by AFSC, to seed a crop to qualify for Production Insurance Coverage is June 10.

6. **End-use Adjustment**
   If Seed Potatoes do not meet the Designated Grade due to a Designated Peril, then the Adjusted Production will be factored by AFSC based on the end-use for which these potatoes are suitable provided the Insured notify AFSC. Likewise, if Chip Potatoes or Fry Potatoes are not acceptable for processing, then the Adjusted Production will be factored by AFSC based on the end-use for which these potatoes are suitable provided the Insured notify AFSC.

7. **Restrictions**
   The Variable Price Benefit is not available under this Insuring Agreement.

C. Indemnities

An Indemnity shall be calculated as per Part II Section A (Indemnity by Stages of Insurance)

1. **On or before June 20**
   a. Appraised Potential Production will be determined and shall not be less than 50 percent of Coverage; and
   b. Any Indemnity shall not exceed 50 percent of the Dollar Coverage in lieu of an Indemnity the Insured may select a Premium refund on damaged acres.

2. **Stage 2 on or after June 21 to October 25**
   An Indemnity shall be calculated based on full Coverage for each Insured Crop as per Part II Section A (Indemnity by Stages of Insurance) subsection 2 (Applicable Insuring Agreements).

3. **Stage 3 Damage Prior to Harvest**
   a. Where the Insured Crop has incurred damage from an Insurable Peril prior to harvest, and on which damage only becomes apparent in storage on or before November 15, an Indemnity shall be calculated based on full Coverage.
   b. This damage from an Insurable Peril must be reported no later than November 30.

PART XV: FRESH VEGETABLE INSURING AGREEMENT

AFSC will indemnify the Insured against damage caused by Designated Perils to Fresh Vegetables, subject to the following terms and conditions:

A. Definitions

In this Insuring Agreement:

1. **"Insurable Crop"** means Broccoli, Cabbage (green or red), Carrots, Cauliflower, Cucumbers Pickling, Cucumbers Slicing, Fresh Beans, Fresh Corn, Yellow Cooking Onions, Pumpkins, Rutabagas or Winter Squash.

2. **"New Breaking"** means land which at any time during the preceding 12 months prior to seeding, planting or transplanting fresh vegetables has grown cultivated grass or legume, or has been in brush, timber or native sod.

B. Conditions

1. **Minimum Insurable Acres**
   Each Insurable Crop shall be grown on a minimum of two acres.

2. **Land Restriction**
   Fresh vegetable crops seeded on New Breaking are not eligible for insurance.

3. **Seeding Deadlines**
   The last date, as established by AFSC, to seed a crop to qualify for Production Insurance Coverage:
   a. May 5 for Yellow Cooking Onions on dryland;
   b. May 10 for Yellow Cooking Onions on irrigated land, and direct seeded late green and red varieties of Cabbage on dryland and irrigated land;
   c. May 20 for Fresh Corn on dryland;
   d. May 30 for Fresh Corn on irrigated land, and direct seeding early varieties for Cabbage on dryland and irrigated land;
   e. June 10 for Carrots on dryland and irrigated land;
   f. June 30 for Rutabagas on dryland and irrigated land, and transplants of Cabbage on dryland and irrigated land.

   Deadlines are designated for each of the horticultural Risk Areas established by AFSC and specified in the *Program Specific by Crop for Production Insurance* table for Broccoli, Cauliflower, Cucumbers, Fresh Beans, Pumpkins and Winter Squash.

4. **Restrictions**
   a. Savoy and Chinese Cabbage are not insurable.
   b. the Variable Price Benefit is not available under this Insuring Agreement.

C. Indemnities

1. An Indemnity shall be calculated as per Part II Section A (Indemnity by Stages of Insurance)
   a. the reseeded acres benefit requires a minimum of one-tenth of an acre.

PART XVI: PROCESSING VEGETABLE CROPS INSURING AGREEMENT
AFSC will indemnify the Insured against damage caused by Designated Perils to vegetables used for processing, subject to the following terms and conditions:

A. Definitions
In this Insuring Agreement:

1. **“Insurable Crop”** means Beans (green or wax), Carrots, Corn or Peas used for processing.

2. **“By-passed Crop”** means an insured corn or pea crop that is harvestable but is not harvested at the option of the licensed processor because of harvesting delays caused by weather or any other Designated Peril.

3. **“Gross Production”** means the amount of production harvested by the licensed processor prior to dockage and reported to AFSC.

4. **“Harvesting Allowance”** means any additional Indemnity to cover harvesting costs as calculated by the licensed processor and agreed to by the processor, the Alberta Vegetable Growers (Processing), and AFSC.

5. **“Net Production”** means the amount of production harvested by the licensed processor after deducting dockage and reported to AFSC.

6. **“Percentage of Acreage By-passed”** means the total insured acres of a crop that is by-passed by the licensed processor expressed as a percentage of the total insured acres of that crop under contract with the processor.

7. **“Trucking Allowance”** means any additional Indemnity to cover transportation costs as calculated by the licensed processor and agreed to by the processor, the Alberta Vegetable Growers (Processing), and AFSC.

B. Conditions

1. **Crops Grown Under Contract**
The crops must be grown under contract between the Insured, who is a grower licensed by the Alberta Vegetable Growers (Processing), and a licensed processor.

2. **Minimum Insurable Acres**
Each Insurable Crop shall be grown on a minimum of five acres.

3. **Seeding Deadlines**
The last date, as established by AFSC, to seed a crop to qualify for Production Insurance Coverage:
   a. May 30 for Corn;
   b. June 10 for Carrots;
   c. June 20 for Peas; and
   d. June 30 for Beans.

4. **By-passed Crop**
The licensed processor shall notify AFSC of any By-passed Crop, and the Insured’s acreage of the By-passed Crop. AFSC will calculate the Percentage of Acreage By-passed.

5. **Restrictions**
   a. the crops shall be grown on irrigated land and Corn shall be irrigated only by a pivot system.
   b. the Variable Price Benefit and unharvested acreage benefit are not available under this Insuring Agreement.

C. Indemnities

1. An Indemnity shall be calculated as per Part II Section A (Indemnity by Stages of Insurance)
   a. the reseeded acres benefit requires a minimum of one acre.
   b. if the Insured incurs a loss from Designated Perils on or after June 21, and before November 30 in each year, the Indemnity for the crop harvested shall be calculated as follows:
   [(Final Individual Normal Yield) x (Coverage Level) x (Insurance Price) x (Number of Insured Acres less Acres By-passed)] + [(Harvesting Allowance) x (Net Production)] + [(Trucking Allowance) x (Gross Production)] - [(Adjusted Production) x (Insurance Price)] - [Wildlife Damage Compensation Program payment].

2. **By-passed Crop Indemnities**
   When acreage of a specified crop is by-passed, the Indemnity for that By-passed Crop will be calculated as follows:
   a. if the Percentage of Acreage By-passed is less than 10%, then the Indemnity will be an amount equal to: [(Coverage Level) x (Final Individual Normal Yield) x (Insurance Price) x (Number of Acres By-passed)].
   b. if the Percentage of Acreage By-passed is 10% or greater but less than 20%, then the Indemnity will be an amount equal to:
      [(Coverage Level - 10%) x (Final Individual Normal Yield) x (Insurance Price) x (Number of Acres By-passed)].
   c. if the Percentage of Acreage By-passed is 20% or greater but less than 30%, then the Indemnity will be an amount equal to:
      [(Coverage Level - 20%) x (Final Individual Normal Yield) x (Insurance Price) x (Number of Acres By-passed)].
   d. if the Percentage of Acreage By-passed is 30% or greater, then the Indemnity will be an amount equal to: [(Coverage
      Level - 30%) x (Final Individual Normal Yield) x (Insurance Price) x (Number of Acres By-passed)].

PART XVII: SILAGE/GREENFEED INSURING AGREEMENT - BARLEY PROXY
AFSC will indemnify the Insured against damage caused by Designated Perils to the Insured Feedgrains in the Proxy Area for the Insured's Silage or Greenfeed, subject to the following terms and conditions:

A. Definitions

In this Insuring Agreement:

1. "**Insurable Crop**" means the following crops intended for Silage or Greenfeed on dryland: Barley, Cereal Mixture, Silage Corn, Faba Beans, Field Peas, Lupines, Millet, Oats, Oilseed Mixture, Pulse Mixture, Sorghum, Sorghum-Sudan Grass, Fall Rye, Spring Rye, Annual Ryegrass, Italian Ryegrass, Spring Triticale, Winter Triticale, Feed Turnips, Canada Prairie Spring Wheat, Canada Northern Hard Red Wheat, Canada Western Special Purpose Wheat, Durum Wheat, Extra Strong, Red Spring Wheat, Red Winter Wheat, or Soft White Spring Wheat.

2. **"Insured Feedgrains"** means the following crops used to determine Proxy Area Adjusted Production: barley, mixed grain, oats, spring rye and spring triticale.

3. **"Payment Rate"** means the rate of compensation at which the Insured is indemnified, as determined by AFSC.

4. **"Proxy Area"** means the township where the Insured Crop is located if there are six or more clients with Insured Feedgrains in Part III (Cereal and Oilseed Crops Insuring Agreement) and/or Part VI (Pedigreed Crops Insuring Agreement) in that township, otherwise the size of the Proxy Area will be increased by adding all adjacent townships until there are a minimum of six Insured Feedgrain clients.

5. **"Proxy Area Adjusted Production"** means the same as in Part I Section A (Definitions) subsection (3) but excludes grade relative to Designated Grade and is represented by the sum of production in the Proxy Area for Insured Feedgrains in Part III and/or Part VI, separately for dryland and irrigated land.

6. **"Proxy Area Coverage"** means the Coverage for the Proxy Area based on the sum of each Insured Feedgrain Final Individual Normal Yield for each Insured client, calculated at the 80 percent Coverage Level, multiplied by their respective insured acres in Part III and/or Part VI, separately for dryland and irrigated land.

B. Conditions

1. **Seeding Deadlines**
The last date, as established by AFSC, to seed a crop to qualify for under this Insuring Agreement is June 20.

2. **Confirmation of Insurance and Election of Coverage Level**
On or before April 30, the Insured must declare, on a form supplied by AFSC, the predominant township and whether the Hail Endorsement and/or Spring Price Endorsement is to be included.

3. **Obligation to Insure Entire Acreage**
All the seeded acreage of Insurable Crop(s) grown for the intent of Silage or Greenfeed must be insured.

4. **Dollar Coverage per Acre**
Dollar Coverage per Acre for an Insurable Crop will be based on 80 percent of the Township Normal Yield for barley multiplied by the Spring Insurance Price. In the case of Corn, the Dollar Coverage per Acre is increased by $50.

5. **Crops used as pasture**
If an Insurable Crop intended for Silage or Greenfeed is pastured, then the insurance Coverage and Premium will remain in effect.

6. **Fall Market Price based on Proxy Crop**
The Fall Market Price for an Insurable Crop under this Part will be the Spring Insurance Price for Silage/Greenfeed times the percentage change between the Spring Insurance Price and the Fall Market Price for 1 CW Barley, as determined by AFSC.

7. **Restrictions**
The unharvested acreage benefit is not available under this Insuring Agreement.

C. Indemnities

1. An Indemnity for each Insurable Crop shall be calculated separately for dryland and irrigated land as follows: [Dollar Coverage x Payment Rate].

   The maximum Indemnity payable shall be 100% of the Dollar Coverage.

2. The Payment Rate for a Proxy Area, is the difference between the Proxy Area Adjusted Production and Proxy Area Coverage compared to Proxy Area Coverage, expressed as a percentage, when the Proxy Area Adjusted Production is less then Proxy Area Coverage, and will be calculated as follows:
   ((Proxy Area Coverage) - (Proxy Area Adjusted Production)) / (Proxy Area Coverage) x 100%

3. If Proxy Area Adjusted Production is not available or insufficient to calculate the Payment Rate, this Contract will cease to be enforceable against AFSC and cease to have any effect against AFSC. AFSC will then return to the Insured all paid Premium, less any applicable discount.

PART XVIII: SILAGE/GREENFEED INSURING AGREEMENT – LACK OF MOISTURE
AFSC will indemnify the Insured when Percent of Normal Moisture is less than 80 percent at the Selected Weather Station(s) for the Insured's dryland crop, subject to the following terms and conditions:

A. Definitions

In this Insuring Agreement:

1. "**Insurable Crop**" means the following crops intended for Silage, Greenfeed or Swath-grazing on dryland: Annual Ryegrass, Barley, Canada Prairie Spring Wheat, Canada Northern Hard Red Wheat, Canada Western Special Purpose Wheat, Cereal Mix, Silage Corn, Durum Wheat, Extra Strong Red Spring Wheat, Faba Beans, Fall Rye, Feed Turnips, Italian Ryegrass, Lupines, Millet, Oats, Oilseed Mix, Peas, Pulse Mix, Red Spring Wheat, Red Winter Wheat, Soft White Spring Wheat, Sorghum, Sorghum-Sudan Grass, Spring Rye, Spring Triticale,or Winter Triticale..

2. **"August Moisture"** is the amount of precipitation, as determined by AFSC, for the month of August, for a Selected Weather Station(s).

3. **"Current Year Moisture"** for each Period of Moisture is the amount of moisture in the current year, as determined by AFSC, for a Selected Weather Station(s).

4. **"July Moisture"** is the amount of precipitation, as determined by AFSC, for the month of July, for a Selected Weather Station(s).

5. **"June Moisture"** is the amount of precipitation, as determined by AFSC, for the month of June, for a Selected Weather Station(s).

6. **"May Moisture"** is the amount of precipitation, as determined by AFSC, for the month of May, for a Selected Weather Station(s).

7. **"Normal Moisture"** for each Period of Moisture is the long-term average amount of moisture, as determined by AFSC, for a Selected Weather Station(s).

8. **"Normal Precipitation"** means the long-term average precipitation, as determined by AFSC, for a Selected Weather Station(s).

9. **"Payment Rate"** means the rate of compensation at which the Insured is indemnified, as determined by AFSC.

10. **"Percent of Normal Moisture"** means, for the Selected Weather Station(s) for the current year, the sum of the May Moisture, June Moisture, July Moisture and August Moisture, and expressed as a percent of their respective Normal Moisture, with each period of moisture weighted by the Weighting Option elected by the Insured.

11. **"Period of Moisture"** is the period for which moisture is measured for this insurance program. There are four different periods: May, June, July and August.

12. **"Selected Weather Station(s)"** means eligible weather station(s) elected, to a maximum of three, by the Insured and approved by AFSC.

13. **"Weighting Option"** is the option elected by the Insured to apply specified percentages to the Percent of Normal Moisture for each Period of Moisture.

B. Conditions

1. **Seeding Deadlines**
   The last date, as established by AFSC, to seed a crop to qualify for under this Insuring Agreement is July 15.

2. **Confirmation of Insurance and Election of Coverage Level**
   On or before April 30, the Insured must declare, on a form supplied by AFSC, the predominant township and the number of acres intended for Silage or Greenfeed, up to three Selected Weather Stations, the Period of Moisture, the Weighting Option, and whether the Hail Endorsement and/or Spring Price Endorsement is to be included.

3. **Obligation to insure entire Acreage**
   All the seeded acreage of Insurable Crop(s), grown for the intent of Silage, Greenfeed or swath grazing must be insured up to the maximum of 110 percent of the intended acres in subsection (2).

4. **Penalty on over-intended Acreage**
   If the seeded acreage of Insurable Crop(s) grown for the intent of Silage, Greenfeed or swath grazing is less than 90 percent of the intended acres in subsection (2), then the Insured will be subject to a penalty equal to (90% of intended acres – seeded acreage) x (average Premium per acre for the seeded acreage).

5. **Dollar Coverage per Acre based on Barley**
   Dollar Coverage per Acre for an Insurable Crop will be based on 80) percent of the Township Normal Yield for barley multiplied by the Spring Insurance Price for Silage/Greenfeed. In the case of Silage Corn, the Dollar Coverage per Acre is increased by $50.

6. **Fall Market Price based on proxy crop**
   The Fall Market Price for an Insurable Crop under this Part will be the Spring Insurance Price for Silage/Greenfeed times the percentage change between the Spring Insurance Price and the Fall Market Price for 1 CW Barley, as determined by AFSC.

7. **Unseeded Acreage Benefit**
   The Unseeded Acreage Benefit in Part II Section C (Unseeded Acreage Benefit) applies under this Insuring Agreement with the exceptions of the following sections:
   a. if the Insured has not completed seeding on or before July 15 because of excessive moisture, and has initiated a request for inspection on or before June 20, AFSC shall pay Indemnities to the Insured if eligible on the eligible acres at the lesser of:
      i) the determined compensation level; or
      ii) the 50 percent Coverage Level multiplied by the Spring Insurance Price for the dryland and irrigated predominant crop(s) insured by the Insured the previous year. If the Insured was not insured the previous year, the predominant dryland and irrigated Insured Crops(s) in the Risk Area will be used.
   b. acres are not eligible for the Unseeded Acreage Benefit when they are seeded for harvest in the current Crop Year, unless they have qualified for a reseeding benefit and could not be reseeded on or before July 15 because of excessive moisture.

8. **Restrictions**
   The unharvested acreage benefit is not available under this Insuring Agreement.

9. **Crops used as pasture**
   If an Insurable Crop intended for Silage or Greenfeed is pastured, then the insurance Coverage and Premium will remain in effect.

10. **Designated Perils**
    Lack of moisture at the Selected Weather Station(s) is the only Designated Peril. Designated Perils in Part I Section A (Definitions) subsection 18 (Designated Perils) do not apply to this Insuring Agreement.

11. **Conflict of interest**
    A person who has direct or indirect conflict of interest with precipitation data provided at one or more Selected Weather Stations used for Lack of Moisture Insurance cannot purchase insurance based upon the data from the Selected Weather Stations for which the person may have a conflict. A person may be in conflict of interest if the person is involved in providing, either directly or indirectly precipitation data for a Selected Weather Station.

C. Indemnities

1. An Indemnity shall be calculated as follows:
   [Dollar Coverage x Payment Rate]

   The maximum Indemnity payable shall be 100% of the Dollar Coverage.

2. The Payment Rate will be based on the average of the Payment Rates for the Insured's Selected Weather Station(s).

3. The Payment Rate for the Selected Weather Station(s) will be zero when the Percent of Normal Moisture is greater than or equal to 80 percent. Where the Percent of Normal Moisture is below 80 percent, the Payment Rate will be based on the Payment Rate schedule published by AFSC at the time of Election.

4. Except at the discretion of AFSC, no changes will be made to the May Moisture, June Moisture, July Moisture or August Moisture values after an Indemnity has been paid.

PART XIX: CORN HEAT UNIT INSURING AGREEMENT
AFSC will indemnify the Insured against Annual Corn Heat Units being less than the Threshold Corn Heat Units elected by the Insured, at a Selected Weather Station for the Insured's Grain Corn or Silage Corn, subject to the following terms and conditions:

A. Definitions

In this Insuring Agreement:

1. **"Insurable Crop"** means Grain Corn or Silage Corn.

2. **"Annual Corn Heat Units"** means the accumulated Corn Heat Units at the Selected Weather Station for the current year.

3. **"Corn Heat Units"** means an energy term calculated from daily maximum and minimum temperatures and accumulated from May 15. The accumulation of Corn Heat Units stops on the earlier of:
   a. the first day on which the minimum temperature of minus two Celsius or less occurs after 700 Corn Heat Units have accumulated, or
   b. September 30.

4. **"Grain Corn"** means corn seeded for grain production.

5. **"Payment Rate"** means the rate of compensation at which the Insured is indemnified, as determined by AFSC.

6. **"Silage Corn"** means corn seeded for silage production.

7. **"Selected Weather Station"** means an eligible weather station elected by the Insured and approved by AFSC.

8. **"Threshold Corn Heat Units"** means the total Corn Heat Units, assigned by AFSC at the high and low threshold options for the Selected Weather Station, below which insurance payments begin.

B. Conditions

1. **Election of Insurable Crop(s)**
   On or before April 30 in each year, the Insured must elect, on a form supplied by AFSC, the Insurable Crop, Dollar Coverage per Acre, Low or High Threshold Corn Heat Units, Hail Endorsement, and Spring Price Endorsement and select a weather station.

2. **Dollar Coverage per Acre**
   The Insured must select the Dollar Coverage per Acre in increments of $25 from a minimum of $100 per acre to a maximum value set annually when the spring insurance prices for grain corn and commercial barley are established.

3. **Threshold Corn Heat Units**
   The Insured must elect the same Threshold Corn Heat Units for Grain Corn and Silage Corn.

4. **Minimum Insurable Acres**
   Each Insurable Crop must be grown on a minimum of five acres.

5. **Restrictions**
   a. The Insurable Crop shall be grown on irrigated land and shall be irrigated only by a pivot system.
   b. The unharvested acreage benefit is not available under this Insuring Agreement.

6. **Seeding Deadlines**
   The Insured must complete seeding by May 15 for Grain Corn and May 31 for Silage Corn.

7. **Fall Market Price based on proxy crop**
   a. the Fall Market Price for Grain Corn will be Spring Insurance Price times the percentage change between the Spring Insurance Price and the Fall Market Price for 2 CW Grain Corn, as determined by AFSC.
   b. the Fall Market Price for Silage Corn will be Spring Insurance Price times the percentage change between the Spring Insurance Price and the Fall Market Price for 1 CW Barley, as determined by AFSC.

8. AFSC will use daily maximum and minimum temperatures provided by the Alberta Government ministry responsible for Agriculture, or by Environment Canada at all weather stations approved by AFSC for this Insuring Agreement. If AFSC is not able to do the assessment due to insufficient data being provided, this Insuring Agreement will cease to be enforceable against AFSC and cease to have any effect against AFSC. AFSC will then return to the Insured all paid Premium, less any applicable discount.

9. **Adjustment for Late Spring Frost**
   If minimum temperature at the Specified Weather Station falls below zero Celsius on or after June 1 but before 700 Corn Heat Units have accumulated, then the Annual Corn Heat Units at that Selected Weather Station will be reduced by an amount equal to [(number of days after June 1 to the last day that the minimum temperature fell below zero Celsius) x (15 Corn Heat Units) + (50 Corn Heat Units)].

C. Indemnities

1. An Indemnity for each Insurable Crop shall be calculated as follows:
   [Dollar Coverage x Payment Rate].

   The maximum Indemnity payable shall be 100% of the Dollar Coverage.

2. The Payment Rate will be based on the Insured's elected Threshold Corn Heat Units and the Insured's Selected Weather Station.

3. The Payment Rate for the Insured's Selected Weather Station will be zero when the Annual Corn Heat Units is equal to or more than the elected Threshold Corn Heat Units. Where the Annual Corn Heat Units is below the elected Threshold Corn Heat Units, the Payment Rate will be in accordance with the annual table of premium and payment rates for each Insurable Crop.

4. Except at the discretion of AFSC, no changes will be made to the Corn Heat Units calculations after an Indemnity has been paid.

PART XX: HONEY INSURING AGREEMENT

AFSC will indemnify the Insured against damage caused by Designated Perils to Honey production, subject to the following terms and conditions:

A. Definitions

In this Insuring Agreement:

1. **"Insurable Crop"** means Honey.

2. **"Excluded Perils"** means perils due to:
   a. insecticide;
   b. herbicide;
   c. the use of hives to pollinate crops seeded for hybrid seed production; or
   d. the presence of residue in the honey from the drug sodium sulfathiazole.

3. **"Producing Hives"** means hives designated for honey production by the Insured and agreed to by AFSC. Leaf cutter bees are excluded.

B. Conditions

1. **Membership Requirement**
   The Insured must be registered, operate under and meet the requirements of the *Bee Act* of Alberta, or under any enactment that governs beekeepers in effect from time to time.

2. **Confirmation of Insurance and Election of Coverage Level**
   On or before April 30, the Insured must declare the number of hives and legal descriptions for the location of hives to be insured, and elect the Coverage Level, on a form supplied by AFSC. If the Insured has not provided this information to AFSC on or before April 30 of each year, the previous year's Election shall apply.

3. **Minimum Insurable Hives**
   a. the Insured must operate and insure a minimum of 100 Producing Hives.
   b. the Insured must follow the industry best management practices.
   c. AFSC reserves the right to inspect hive locations for overcrowding and placement.

4. **Primary Location**
   Insurable Hives that are transported away from the primary location, whether in province or out of province, must be returned on or before May 31.

5. **Report of Producing Hives**
   a. on or before May 31 in each year the Insured shall file with AFSC a Report of Producing Hives. AFSC requires that a signed declaration or Certificate of Registration from the Provincial Apiculturist be attached to the Report of Producing Hives as proof of registration under the *Bee Act* of Alberta.
   b. if the Insured fails to file a Report of Producing Hives, including the signed Application and Certificate of Registration, by the deadline, AFSC may, in its discretion:
      i) accept the Report of Producing Hives and assess a penalty to be paid by the Insured;
      ii) determine the required information and file a Report of Producing Hives which shall be binding on the Insured; or
      iii) cancel this Contract or any part thereof for the current year. The Insured is not eligible for insurance the following year.

6. **Harvested Production Report Deadline**
   Harvested Production must be reported no later than October 30.

7. **Restrictions**
   The Variable Price Benefit is not available under this Insuring Agreement.

C. Indemnities

1. If Adjusted Production is less than Coverage, Indemnities shall be calculated as follows:
   ((Final Individual Normal Yield) x (Coverage Level) x (Number of Insured Hives) – (Adjusted Production)) x (Insurance Price)

PART XXI: BEE OVERWINTERING INSURING AGREEMENT

AFSC will indemnify the Insured against mortality losses for bees overwintered in Hives in Alberta, in excess of normal losses caused by Designated Perils, subject to the following terms and conditions:

A. Definitions

In this Insuring Agreement:

1. "**Insurable Crop**" means Hives containing overwintering Bees.

2. "**Apiary**" means a commercial beekeeping enterprise utilizing Bees for the purpose of pollination or honey production.

3. "**Bees**" means insects designated as honey bees overwintered in Hives.

4. "**Dollar Coverage per Hive**" means the insured value selected at the time of the Election of Hives.

5. "**Hives**" means Hives arranged in double chambers or such other arrangements of Hives that AFSC, in its discretion, accepts for Coverage under this Insuring Agreement.

6. "**Hives Declared Dead**" means Hives with insufficient bees to make the Hive salvageable, as determined by AFSC during its spring adjusting inspection.

7. "**Hives Declared Weak**" means Hives with sufficient bees to make the Hive salvageable with replacement, as determined by AFSC during its spring adjusting inspection.

8. "**Insurable Hive**" means a Hive accepted for insurance by AFSC at fall acceptance inspection.

9. "**Uninsurable Hive**" means a Hive not accepted for insurance by AFSC at fall acceptance inspection.

B. Conditions

1. **Membership Requirement**
   The Insured must be registered, operate under and meet the requirements of the *Bee Act of Alberta*, or under any enactment that governs beekeepers in effect from time to time.

2. **Minimum Insurable Hives**
   The Insured must operate and insure a minimum of 100 Insurable Hive(s).

3. **Confirmation of Insurance and Election of Hives**
   On or before June 20 in each year, the Insured must, on a form supplied by AFSC:
   a. declare the number of Hives to be overwintered;
   b. elect the Dollar Coverage per Hive.

   If the Insured has not provided this information to AFSC on or before June 20 in each year, the previous year's declaration and Election's shall apply.

4. Clients must follow best management practices and provide a treatment log.

5. Clients must provide a copy of the Certificate of Registration by September 1.

6. **Period of Insurance**
   a. Bee Overwintering period of insurance starts from the time of the completion of AFSC's fall acceptance inspection to completion of AFSC's spring adjusting inspection.
   b. Coverage will be denied if hives are moved from indoor storage or unwrapped prior to the spring inspection.

7. **Deadlines**
   a. on or before September 1, the Insured must declare, on a form supplied by AFSC, legal land locations and number of Hives of all overwintering bee yards in a Hive Report. Where the Insured fails to file a completed Hive Report by the deadline, AFSC may, in its discretion:
      i) accept the Hive Report and assess a penalty to be paid by the Insured; or
      ii) cancel this contract for the current year. The Insured is not eligible for insurance the following year.
   b. Coverage will not apply to Hives wrapped or moved into storage after November 1. The Insured must notify AFSC 14 days prior to wrapping Hives.

c. Coverage will be denied when AFSC is notified that Hives are unwrapped or moved out of storage after May 15. The Insured must notify AFSC ten days prior to unwrapping Hives.

8. **Obligation to Insure All Hives Overwintered in Alberta**
All Hives within an Apiary must be insured if overwintered in Alberta. Hives overwintered outside of Alberta are not eligible for coverage under this Insuring Agreement.

9. "**Designated Perils**" means:
   a. weather conditions including, but not limited to: snow, excessive cold, excessive moisture, frost, flood, temperature fluctuations;
   b. diseases or pests deemed to have no effective or adequate means of control; or
   c. any other peril designated by AFSC from time to time where the peril results in high death loss to overwintered bees.

10. "**Excluded Perils**" means:
    a. losses attributable to management;
    b. Wildlife damage;
    c. theft or vandalism; or
    d. unverifiable diseases or infestations.

11. **Tolerance for Insurable Hives**
AFSC will insure all Insurable Hives, subject to the following limits:
    a. when the number of Hives determined during fall acceptance inspection is greater than 120 percent of that declared on the Election of Hives, the Insured's Coverage and Premium will be capped at 120 percent of the number of Hives declared on the Election of Hives.
    b. when the number of Hives determined during fall acceptance inspection is less than 80 percent of that declared on the Election of Hives, the Insured's Coverage and Premium will be based on the actual number of Insurable Hives, subject to a penalty on over-declared hives.
       i) if the Hives accepted for insurance Coverage are less than 80 percent of the declared Hives in subsection (3a) the Insured will be subject to a penalty based on the following formula:
       (80% of declared Hives – accepted Insurable Hives) x (average Premium per Hive for the Insurable Hives).

12. **Change of Location of Overwintered Hives**
AFSC must be advised of all Hive movements after fall acceptance inspection has been completed. Movement of Hives outside the province of Alberta prior to December 15 will result in denied Coverage and Premium refund for Hives moved. The Insured must notify AFSC of such movement on or before December 15, or the Hives will be deemed by AFSC to have been moved outside of the province on or after December 15. Movement of Hives outside of the province of Alberta on or after December 15 will result in those Hives being assessed with uninsurable causes of loss.

13. **Sale or Purchase of Hives Following Election of Hives**
    a. if the Insured completes the sale of Hives after completing the Confirmation of Insurance and Election of Hives form but prior to September 1 in the same calendar year, the following applies:
       i) if the Insured advises AFSC in writing of the finalized sale before September 1 in the same calendar year, and provides evidence of sale satisfactory to AFSC, then the Hive count reported on the Confirmation of Insurance and Election of Hives will be adjusted accordingly without prejudice; or
       ii) if the purchaser provides evidence of the purchase satisfactory to AFSC, and the purchased Hives are the only Hives the purchaser operates and meets the 100 Hive minimum, then the purchaser may obtain the same insurance Coverage as the Insured's Contract on the purchased Hives; and
    b. if the Insured purchased Hives following the completion of the Confirmation of Insurance and Election of Hives but prior to September 1 in the same calendar year, the following applies:
       i) the Insured must advise AFSC in writing of the finalized purchase before September 1 in the same calendar year and provide evidence of the purchase satisfactory to AFSC; and
       ii) the newly acquired Hives must be insured subject to the existing Election under the Insured's Contract. The Hive count reported on the Confirmation of Insurance and Election of Hives will be adjusted accordingly, without prejudice.

C. Indemnities

For the purpose of this Insuring Agreement, an Indemnity shall be calculated as follows:
((Insured Hives x Individual Coverage x 0.9) – (strong hives + (weak hives X 1/3))) x Dollar Coverage

If negative, the Indemnity is 0.

PART XXII: NEW CROP INSURANCE INITIATIVE ("NCII") INSURING AGREEMENT
AFSC will indemnify the Insured at the same percentage rate of the loss to the Insured's annual crop Production Insurance Contract, using this Insuring Agreement's Dollar Coverage, subject to the following terms and conditions:

A. Definitions
In the Insuring Agreement:
1. **"Eligible Crops"** means any crop that AFSC deems to have a reasonable chance of harvest and is not eligible for any other multi-peril crop insurance product (MPCI).

2. **"Cost of Production"** means direct seed bed preparation, seeding, spraying, swathing , harvesting, and irrigation costs as determined by AFSC.

3. **"Establishment Year"** means the year in which the crop is seeded.

4. **"Land Opportunity Cost Factor"** means a provincial value set by AFSC added to Cost of Production coverage to account for the lost value of seeding and insuring to an alternate crop that has higher Dollar Coverage.

B. Conditions
1. **Seeding Deadlines**
Seeding deadlines will be set on a crop by crop basis and will be determined by AFSC.

2. **Client Eligibility Requirement**
An active annual crop Production Insurance subscription with insured acres for the current year is required and:
   a. When the Eligible Crop is on irrigated acres, the Insured's annual crop Production Insurance subscription is required to have insured irrigated acres; or
   b. When the Eligible Crops is on dryland acres, the Insured's annual crop Production Insurance subscription is required to have insured dryland acres.

3. **Crop Eligibility**
   a. Election of Insurable Crop(s) – on or before April 30 in each year the Insured must elect on a form supplied by AFSC the acres of seeded crops insured, and Hail Endorsement.
   b. Hail Endorsement – AFSC reserves the right to not provide Hail Endorsement coverage on crops that hail damage cannot be accurately assessed by AFSC On-Farm Inspections.
   c. AFSC reserves the right to not provide coverage on crops when the request for coverage does not provide AFSC the necessary time to gather agronomic information for a new crop type, or to determine Coverage and Premium for the new crop type.
   d. AFSC reserves the right to not provide coverage for crops that are deemed non-viable.
   e. Perennial seed crops will not be insurable in the Establishment Year.
   f. The seeded acres covered under this Insuring Agreement must be located within a reasonable distance from the insured acres under the Insured's active annual crop Production Insurance subscription, as determined by AFSC.

4. **Obligation to Insure Entire Crop**
All seeded acres of an elected NCII crop must be insured.

5. **Crop Reporting Requirement**
Yield and agronomic information for insured crops must annually be reported on forms provided by AFSC. Yield information will be used as part of client's coverage calculation in future Crop Year(s).

6. **Coverage level**
Crop coverage will be determined by a combination of Cost of Production as defined by AFSC as 100 percent and the client's yield provided in program participation years at 70 percent times the current year's price of the commodity. Dollar Coverage level cannot be elected.

7. **Premiums**
Client premium is calculated by multiplying the Dollar Coverage by the client's share of the premium rate and applying any applicable premium adjustment.

8. **Unseeded Acreage Benefit**
The unseeded acreage benefit under Part II Section C (Unseeded Acreage Benefit) applies under this Insuring Agreement.

9. **Restrictions**
The Variable Price Benefit, reseeding acreage benefit, and unharvested acreage benefit are not available under this Insuring Agreement.

C. Indemnities

The total dollar indemnity and the total Dollar Coverage, including Variable Price Benefit and quality loss, from the annual crop Production Insurance Contract are used to calculate the loss percentage for the insured dryland acres and insured irrigated acres separately. The indemnities that are used for the calculation will be the gross awards from the Pre-Harvest Statement of Loss and the Post-Harvest Statement of Loss. The loss percentages will be calculated as follows:

Loss Percentage on Dryland Acres = [(Pre-Harvest Gross Award on Dryland Acres + Post Harvest Gross Award on Dryland Acres)] / (Total Dollar Coverage on Dryland Acres)

Loss Percentage on irrigated acres = [(Pre-Harvest Gross Award Irrigated) + (Post Harvest Gross Award on Irrigated Acres)] / (Total Dollar Coverage on Irrigated Acres)

The loss percentages from the annual crop Production Insurance will be multiplied by the total Dollar Coverage for the NCII Contract to calculate the indemnity for the Insuring Agreement as follows:

NCII Indemnity = [(Loss Percentage on Dryland Acres) x (NCII Dollar Coverage on Dryland Acres)] + [(Loss Percentage on Irrigated Acres) x (NCII Dollar Coverage on Irrigated Acres)]

PART XXIII: HAIL ENDORSEMENT INSURING AGREEMENT

AFSC will indemnify the Insured against Spot Loss damage caused by hail, fire by lightning or accidental fire to an Insured Crop, subject to the following terms and conditions:

A. Definitions

In this Insuring Agreement:

1. **"Insurable Crop"** means crops insured under Parts III, IV, V, VI, VII, VIII, IX, X, XI, XII, XIII, XIV, XV, XVI, XVII, XVIII XIX or XXII.

2. **"Spot Loss"** means losses eligible for Indemnity on the actual area of a crop damaged by an incidence of hail, fire by lightning or accidental fire.

B. Conditions

1. **Election of Insurable Crops**
   a. The Hail Endorsement Insuring Agreement shall remain in effect from year to year. The Insured must notify AFSC of a new Election or any Election changes to Insurable Crop(s) on or before April 30 in each year.
   b. Hail Endorsement is elected on a crop by crop basis. All acres of each elected crop will then have Hail Endorsement Coverage.

2. **Effective Date**
   The Hail Endorsement Insuring Agreement shall commence on the date the Insured Crop emerges and shall remain in effect from year to year.

3. **Minimum Coverage Level**
   The Hail Endorsement is not available for crops the Insured has elected at 50 percent Coverage Level.

4. **Cancellation and Premium Refund**
   The Insured may cancel the Hail Endorsement Insuring Agreement by giving AFSC written notice. The cancellation shall be effective immediately on the date of receipt of that notice by AFSC. When notice is received:
   a. on or before April 30 in any year, no Coverage or Premium will be calculated under this Insuring Agreement.
   b. after April 30, provided no Indemnity has been paid under this Insuring Agreement, Coverage may be cancelled by the Insured and the Premium refunded to the Insured shall be determined in accordance with the date of cancellation as shown in the following table:

Date of Cancellation	Premium Earned By AFSC	Premium Refund to the Insured
Before July 1	25%	75%
July 1 - July 3	35%	65%
July 4 - July 6	45%	55%
July 7 - July 9	55%	45%
July 10 - July 12	65%	35%
July 13 - July 15	75%	25%
July 16 - July 19	80%	20%
July 20 - July 23	85%	15%
July 24 - July 27	90%	10%
July 28 - July 31	95%	5%
August 1 or later	100%	0%

   c. for fall seeded crops, and forage crops grown for seed, the cancellation dates are 14 days in advance of the dates set forth in section (4) above.

5. **Coverage and Premium on Acreage Reseeded**
   a. when an insured acreage is reseeded, the Hail Endorsement Coverage and Premium on the original crop will be reversed.
   b. when an insured acreage is reseeded to a crop with Hail Endorsement elected, Coverage and Premium is determined for the reseeded crop.

C. Indemnities

1. When damage is determined to be less than ten percent of the Coverage on the damaged acres, no Hail Endorsement Indemnity shall be payable to the Insured.

2. Hail Endorsement Indemnity is determined by the percentage of damage to the Insured Crop multiplied by the Dollar Coverage per acre and the number of damaged acres.

3. Hail Loss Greater than 70 percent:
   a. where the actual percentage of damage from hail is determined by AFSC to be in excess of 70 percent but less than or equal to 90 percent, an additional allowance shall be made. This allowance will be equal to the difference between the actual percentage of damage and 70 percent to a maximum of ten percent.
   b. where the actual percentage of damage from hail is determined by AFSC to be in excess of 90 percent, the damage shall be deemed and calculated by AFSC to be 100 percent.

4. In no case shall any Indemnity be paid in respect of any crop or part of it that has been so damaged by causes other than hail that in the opinion of the inspector the value likely to be obtained for the Harvested Production would not exceed the actual cost of cutting, threshing and marketing the Harvested Production.

D. Exclusions

Hail Endorsement does not cover and will not pay any Indemnity for:

a. loss from an uninsurable peril, even though the loss may have occurred in conjunction with an insurable peril;
b. loss of any portion of a crop recoverable by harvesting equipment;
c. loss due to failure of the crop to mature;
d. loss due to neglect or failure to harvest mature crops;
e. consequential, special or indirect damages including, but not limited to, diseases, insect infestation, lodging and loss of markets; or
f. loss to crops which AFSC considers not viable.

E. Inspection Strips

Where hail damage occurs to a standing crop or a crop cut for harvest, the Insured may proceed to harvest provided proper Notice of Loss is given to AFSC. If the crop is ready to harvest, Inspection Strips must be left as required by AFSC.

Where the Insured has not left AFSC required Inspection Strips as set defined, AFSC may deny or reduce the claim.

F. Inspection Costs

If no part of the Insured Crop has sustained a loss of at least ten percent, the cost of the inspection may, at the discretion of AFSC, be charged to the Insured and in that case:

a. the cost shall be added to any unpaid Premium owing by the Insured and become part of it; and
b. AFSC has such a lien for the costs of inspection as it has for unpaid Premium, if the Insured is not indebted to AFSC for any unpaid Premium.

G. Termination of this Endorsement

The Insured shall not be entitled to an Indemnity pursuant to this Insuring Agreement if the loss occurs after the earlier of:

a. the Insuring Agreement is cancelled by the Insured;
b. the Insured Crop has been released by AFSC;
c. completion of harvest; or
d. midnight on October 31 in any year.

H. Loss Experience

The Hail Endorsement Indemnity payments shall not affect the Premium adjustment of the Insured under Parts III, IV, V, VI, VII, VIII, IX, X, XI, XII, XIII, XIV, XV, XVI, XVII, XVIII, XIX or XXII.

PART XXIV: SPRING PRICE ENDORSEMENT INSURING AGREEMENT

AFSC will indemnify the Insured against within-year Price Decline of an Insured Crop, subject to the following terms and conditions:

A. Definitions

In this Insuring Agreement:

1. **"Insurable Crop"** means crops insured under Part III (excluding Camelina and Hemp Grain) IV, VI, VII, XII, XVII XVIII, or XIX.

2. **Deemed Production"** means the Adjusted Production excluding Volunteer Production, and production due to Uninsured Cause of Loss, if the resulting amount is less than Coverage; otherwise it is equal to Coverage.

3. **"Fall Market Price"** means, for an Insurable Crop, a market price calculated in the fall for the Province of Alberta, as determined by AFSC.

4. **"Price Decline"** means for an Insurable Crop, the amount in dollars per kilogram that the Fall Market Price has dropped compared to the Spring Insurance Price, and provided such a drop is at least ten percent compared to the Spring Insurance Price for that Insurable Crop (but subject to a maximum drop of 50 percent of the Spring Insurance Price), as determined by AFSC.

B. Conditions

1. **Election of Insurable Crops**
   a. The Spring Price Endorsement Insuring Agreement shall remain in effect from year to year. The Insured must notify AFSC of a new Election or any Election changes to Insurable Crop(s) on or before April 30 in each year.
   b. Spring Price Endorsement is elected on a crop by crop basis. All acres of each elected crop will then have Spring Price Endorsement coverage.

2. **Excluded Coverage Level**
   The Spring Price Endorsement is not available for an Insurable Crop elected at 50 percent Coverage Level.

3. **Premium on Reseeded Acreage**
   a. If an insured acreage is reseeded to a crop for which the Spring Price Endorsement has not been elected, then the original Spring Price Endorsement Premium on the acreage reseeded will be waived.
   b. If an insured acreage is reseeded to a crop with Spring Price Endorsement elected, then the new Spring Price Endorsement Premium payable by the Insured shall be for the reseeded crop.

4. **Fallback methodology for determining Fall Market Price**
   In the event that price information originating from published fall price methodology for an Insurable Crop(s) is not available or stops being available during the Fall Market Price period, at its best discretion AFSC maintains the right to develop and implement an alternative price methodology for Fall Market Price determination to replace or augment pricing for that crop(s) in that year.

5. **Prices for area-based Crop Insurance programs**
   a. For Insurable Crop(s) under Part XVII or XVIII, the Price Decline as a percentage of the Spring Insurance Price for 1 CW Barley will be used.
   b. For Silage Corn under Part XIX, the Price Decline as a percentage of the Spring Insurance Price for 1 CW Barley will be used.
   c. For Grain Corn under Part XIX, the Price Decline as a percentage of the Spring Insurance Price for 2 CW Grain Corn will be used.

6. **Agreement ceases to be enforceable**
   If a fallback price methodology indicated in subsection (4) cannot be developed for the Insurable Crop or its proxy crop, this Agreement will cease to be enforceable against AFSC for that Insurable Crop and cease to have any effect against AFSC. AFSC will then return to the Insured the paid Premium, less any applicable discount for that Insurable Crop.

7. **Excluded crops**
   The Spring Price Endorsement is **not** available for Insurable Crop(s) under Part V, VIII, IX, X, XI, XIII, XIV, XV, XVI, XX and XXII.

C. Indemnities

1. If the Price Decline is less than ten percent of the Spring Insurance Price for an Insured Crop, the Spring Price Endorsement Indemnity will be zero.

2. For Insured Crop(s) under Part III, IV, VI, VII or XII, the Spring Price Endorsement Indemnity shall be equal to:
   [(Price Decline x (Deemed Production)] – [(10 percent) x (Spring Insurance Price)]

3. For Insured Crop(s) under Part XVII, XVIII or XIX, if the Price Decline is at least ten percent for an Insured Crop, the Spring Price Endorsement Indemnity shall be equal to:
   [(Price Decline) / (Spring Insurance Price)] x [(Dollar Coverage) - (Indemnity)] – [(10 percent) x (Spring Insurance Price)].

4. In no case, for an Insurable Crop, shall the combined Indemnities under Part III, IV, VI, VII, XII, XVII, XVIII or XIX, Hail Endorsement, Wildlife Damage Compensation Program, Unharvested Acreage Indemnity, and Spring Price Endorsement Indemnity exceed total Dollar Coverage for that Insured Crop under this Contract.

IN WITNESS WHEREOF
AFSC has signed this Contract.

AGRICULTURE FINANCIAL SERVICES CORPORATION

Per:
Steve Blakely, Chief Executive Officer

Annex A: Insurable Crop(s) and Designated Grades

Insurable Crops and the Designated Grade(s) are as follows:

a. Alfalfa Seed, Canada Certified No. 2;
b. Barley, No. 1 CW;
c. Black/Other Dry Beans, No. 1 Canada;
d. Brown Mustard, No. 1 Canada;
e. Camelina, not applicable;
f. Canada Northern Hard Red Wheat, No. 2 CNHR;
g. Canada Prairie Spring Wheat, No. 2 CPS;
h. Canada Western Special Purpose Wheat, No. 2 CWSP;
i. Canary Seed, not applicable;
j. Canola, No. 1 Canada;
k. Creeping Red Fescue, Common No.2;
l. Desi Chickpeas, No. 2 CW;
m. Durum Wheat, No. 2 CWAD;
n. Extra Strong Red Spring Wheat, No. 2 CWES;
o. Faba Beans, No. 3 Canada;
p. Fall Rye, No. 2 CW;
q. Field Peas, No. 3 Canada;
r. Flax, No. 1 CW;
s. Fresh Vegetables, No. 1 Canada;
t. Grain Corn, No. 2 CW;
u. Great Northern Dry Beans, No. 1 Canada;
v. Hemp Grain, not applicable;
w. Hybrid Canola Seed, Canada Certified No. 1;
x. Honey, not applicable;
y. Kabuli Chickpeas, No. 2 CW (8 mm size);
z. Lentils, Green No.2 Canada;
aa. Lentils, Red No. 2 Canada
bb. Mixed Grain, Average;
cc. Oats, No. 3 CW;
dd. Oriental Mustard, No. 1 Canada;
ee. Pink Dry Beans, No. 1 Canada;
ff. Pinto Dry Beans, No. 1 Canada;
gg. Potatoes Chip, not applicable;
hh. Potatoes Fry, not applicable;
ii. Potatoes Seed, Certified Class;
jj. Potatoes Table, No. 2 Canada;
kk. Processing Vegetables, not applicable;
ll. Red Spring Wheat, No. 2 CWRS;
mm. Red Winter Wheat, No. 2 CWRW;
nn. Safflower, Average;
oo. Silage or Greenfeed Crops, not applicable;
pp. Small Red Dry Beans, No. 1 Canada;
qq. Spring Rye, No. 2 CW;
rr. Spring Triticale, No. 2 Canada;
ss. Soft White Spring Wheat (for milling), No. 2 CWSWS;
tt. Soft White Spring Wheat (for ethanol), No. 3 CWSWS;
uu. Sugar Beets, not applicable;
vv. Sunflowers Confectionary, Average;
ww. Sunflowers Oil, No. 1 Canada;
xx. Timothy Seed, Canada Certified No. 2;
yy. Winter Triticale, No. 2 Canada;
zz. Yellow Beans, No.1 Canada;
aaa. Yellow Mustard, No. 1 Canada;
bbb. Pedigreed Seed.

The Designated Grade shall be Canada Certified No. 1 for Cereals, Oilseeds and Pulse Crops, Canada Certified No. 2 for Timothy, Alfalfa and Creeping Red Fescue crops, and Certified Class for Seed Potatoes pursuant to the provisions of the Seeds Act (Canada) for germination only.

Annex B: Uninsured Causes of Loss

Uninsured Causes of Loss include, but are not limited to:

a. improper seed bed preparation, seed placement, crop rotation practices or planting method;
b. the use of seed which is not viable, damaged, old, or not recommended for the area;
c. failure to plant the recommended quantity of seed;
d. early seeding which results in an unreasonable increase in the risk of loss;
e. seeding a different crop into an Insured Crop;
f. unapproved, untimely or improperly applied products or methods for the:
    i) control of weeds;
    ii) control of insects;
    iii) control of plant diseases;
    iv) enhancement of plant development;
g. inadequate machinery or labour, or failure to complete repairs to equipment on a timely basis;
h. damage to an Insured Crop from fertilizers, herbicides, pesticides, fungicides, soil or crop additives, or any other product where the damage was caused by drift, residue or improper direct application or improper use of product;
i. machinery and equipment failure due to mechanical defects or improper operations;
j. untimely harvest practices for the area and the crop;
k. improper harvest management;
l. Volunteer Crop;
m. accidental fire unless specified in the Insuring Agreement;
n. damage by domestic animals or poultry;
o. neglect of the Insured Crop;
p. theft of the Insured Crop;
q. negligent or wrongful acts of a third party;
r. failure to follow acceptable practices, procedures and operations as recommended by the Alberta government ministry responsible for Agriculture;
s. damage while in storage including heating;
t. any Designated Peril deemed avoidable by AFSC.

Notes

Notes

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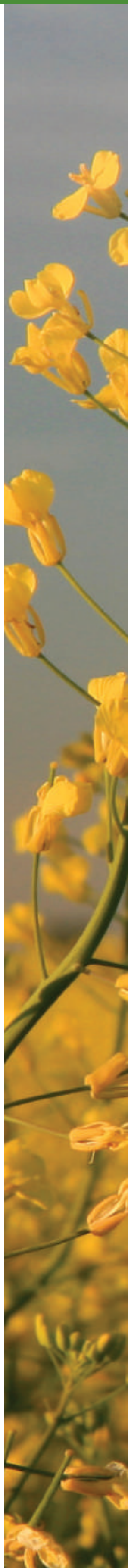

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Fax: 403-934-5018

TABER
Provincial Building
5011 49th Avenue
PO Box 4
Taber, AB T1G 1V9
Ph: 403-223-7900
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THORHILD
County Administration
Building
801 1st Street
PO Box 400
Thorhild, AB T0A 3J0
Ph: 780-398-3933
Fax: 780-398-2087

THREE HILLS
Provincial Building
128 3rd Avenue S
PO Box 40
Three Hills, AB T0M 2A0
Ph: 403-443-8515
Fax: 403-443-7519

VEGREVILLE
Vinet's Village Mall
138 - 4925 50th Avenue
PO Box 1440
Vegreville, AB T9C 1S6
Ph: 780-603-2332
Fax: 780-632-3385

VERMILION
5039 49th Avenue
Vermilion, AB T9X 1B8
Ph: 780-581-2345
Fax: 780-853-1982

VULCAN
104 Centre Street East
PO Box 847
Vulcan, AB T0L 2B0
Ph: 403-485-2766
Fax: 403-485-2947

WAINWRIGHT
2710 15 Avenue
Wainwright, AB T9W 0A4
Ph: 780-842-7547
Fax: 780-842-4948

WESTLOCK
11207 104 Avenue
Westlock AB T7P 1B2
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CENTRAL OFFICE
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