

# Canada – Alberta AgrilInsurance Products

## Contract of Insurance for Annual and Perennial Crops 2021



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**The Contract of Insurance (“Contract”) is legally binding on AFSC and participating insurance clients. If there is any discrepancy between wording contained in the Contract of Insurance, the Annual Crops Booklet and the Perennial 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 AgrilInsurance 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 full or under any terms and conditions that are made pursuant to the Act.

### ARTICLE 1: DEFINITIONS

#### 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. **"Adjusted Production"** means the Appraised Potential Production and Harvested Production of a crop adjusted for:
  - a. weight, dockage, moisture, grade relative to Designated Grade, Volunteer Production, and production due to Uninsured Cause of Loss for Annual Crops;
  - b. moisture, low yield, and production due to Uninsured Cause of Loss for Hay; and
  - c. moisture, Grade Factor (described in Export Timothy Hay Insuring Agreement), and production due to Uninsured Cause of Loss for Timothy Hay all as determined by AFSC.
3. **"Allowance for Low Yield"** means an adjustment to the total Harvested Production and Appraised Potential Production for the Annual Crops referenced in Part I, Article 7, Section B, Subsection 1 to reduce the Yield to Count when actual yields are below threshold yields as determined by AFSC.
4. **"Annual Crops"** means the crops listed and described in Article 2, Section A.
5. **"Application"** means the application for insurance to which the Contract applies and signed by the Insured or an individual who is authorized to sign on behalf of the Insured.
6. **"Appraised Potential Production"** means the total potential production, as determined by AFSC, of an unharvested crop or a crop Put to Another Use.
7. **"Area Normal Yield"** means the long term average yield per acre that AFSC establishes for a Risk Area for Hay and Timothy Hay.
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 for Annual Crops (except Silage/Greenfeed and Corn Heat Unit Insuring Agreements) or Expected Normal Yield for Perennial Crops (except Moisture Deficiency and Satellite Yield Insuring Agreements) and the Insured's elected Coverage Level and number of insured acres.
13. **"Coverage Adjustment"** means a factor used to adjust the Area Normal Yield for hay to better reflect the Insured's production capabilities.

14. **“Coverage Level”** means the percentage of Final Individual Normal Yield or the percentage of an individual's Expected Normal Yield, for an Insurable Crop offered by AFSC and elected by the Insured.
15. **“Crop Year”** means:
  - a) For Annual Crops, 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.
  - b) For Perennial Crops, the period commencing on March 1 in one year and ending on the last day of February in the next year and, where preceded by a reference to a specified year, means such a period commencing on March 1 of that specified year.
16. **“Decision Date”** means:
  - a) in the case of Annual Crops, April 30; and
  - b) in the case of Perennial Crops, the last day of February
17. **“Declared Acres”** means all Annual Crop acres seeded or intended to be seeded 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.
18. **“Designated Area”** means a geographical area AFSC determines as an area for which insurance is available.
19. **“Designated Grade”** means an established grade of Canada Grain Commission or other specification, assigned by AFSC to an Annual Crop.
20. **“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.
21. **“Dollar Coverage”** means for an Insurable Crop, the Coverage multiplied by the Insurance Price.
22. **“Election”** means:
  - a) For Annual Crops, a declaration by the Insured indicating the Insurable Crop(s) to be insured, the applicable Coverage Level, Declared Acres, endorsements and options.
  - b) For Perennial Crops, a declaration by the Insured indicating the Insurable Crop(s) to be insured, the applicable Coverage Level, Insurance Price, endorsements and options.
23. **“Exclosures”** mean representative sites that are fenced off. A minimum of two sites for fields up to 40 acres, and a minimum of one site for every additional 40 acres in that item, is required.
24. **“Expected Normal Yield”** means the Area Normal Yield for the Hay and Export Timothy Hay Insuring Agreements adjusted by the Insured's Coverage Adjustment.
25. **“Fall Market Price”** means, for an Insurable Crop, a market price calculated in the fall for the Province of Alberta, as determined by AFSC.
26. **“Final Individual Normal Yield”** means, as specified in the particular Insuring Agreement, 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.
27. **“Greenfeed”** means an Insurable Crop seeded as an annual crop that is, prior to grain maturity, cut, dried and

stored as livestock feed.

28. **“Harvested Production”** means the total harvested production of an Insured’s crop.
29. **“Harvested Production Report” (HPR)** means the report the Insured is required to provide to AFSC declaring production information for all Insured Crop(s).
30. **“Hay”** means seeded perennial tame grass, Legumes or grass-Legume mix crops grown for mechanical harvesting for use as livestock feed on dryland acres, and if grown for harvesting on irrigated land, it means those same crops but only if they contain more than 50 percent alfalfa.
31. **“Indemnity”** means the compensation AFSC pays for a loss incurred pursuant to this Contract.
32. **“Inspection Report”** means the report that contains the inspection details from which the loss assessment will be determined.
33. **“Inspection Strips”** means the representative standing strips or for annual crops, swaths or standing strips of the Insured Crop in such measurements as required by AFSC to determine the crop’s 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.
34. **“Insurable Crop”** means a crop eligible for insurance in an Insuring Agreement.
35. **“Insurance Price”** means the value per unit of production for an Insurable Crop used to pay an Indemnity and is equal to the Spring Insurance Price or the Fall Market Price, where applicable.
36. **“Insured”** means the person named on an application for insurance that has been accepted by AFSC for the purposes of providing crop insurance under this Contract.
37. **“Insured Crop”** means an Insurable Crop that the Insured has elected for Coverage and reported to AFSC and which AFSC accepts for insurance.
38. **“Insuring Agreement”** means one or more of those Parts which follow Part I (General Provisions) and Part II (Annual Crop Benefits).
39. **“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.
40. **“Legumes”** means alfalfa, red clover, alsike clover, sainfoin, sweetclover and milkvetch.
41. **“Licensed Buyer”** means a grain buyer, licensed by the Canadian Grain Commission as a primary elevator or terminal elevator.
42. **“Notice of Loss”** means a report provided by the Insured, on a form supplied by AFSC, that contains information required by AFSC pertaining to the loss experienced by the Insured.
43. **“Pedigreed Seed”** means seed derived from a pedigreed crop that meets the requirements of the *Seeds Act*, RSC 1985, c S-8 and its applicable regulations.
44. **“Perennial Crops”** means the crops listed and described in Article 2, Section B.
45. **“Premium”** means the amount payable by the Insured for the Coverage under this Contract.
46. **“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.
47. **“Production Loss”** means the amount the Adjusted Production is less than the Coverage for an Insured Crop.
48. **“Production Record”** means any information pertaining to the farming operations of the Insured for the purpose of determining Harvested Production and Adjusted Production.

49. **“Put to Another Use”** means crop or hay 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 hay, or any part of an Insured Crop that is not harvested.
50. **“Quality Loss”** means an adjustment to reflect weight, dockage, moisture content, and grade relative to the Designated Grade of an annual crop.
51. **“Recommended Seeding Date”** means the latest date as determined by AFSC, that an Annual Crop can be seeded in order to qualify for a Quality Loss, unless stated otherwise in the Contract. AFSC, in its discretion, may deny Quality Loss adjustment for crops seeded later than the dates specified.
52. **“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.
53. **“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.
54. **“Report of Hay 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 Hay and Uninsured Production whether stored on or off the farm. In this definition Uninsured Production means Hay/grass or other Legumes harvested from roadsides, rejected fields, uninsured acreages or land acquired after the insurance deadline.
55. **“Report of Timothy Hay 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 first-cut Timothy Hay grown for the export market and uninsured crops whether stored on or off the farm.
56. **“Risk Area”** means a geographical area established by AFSC.
57. **“Seeding Deadline”** means the last date, as established by AFSC, to seed an Annual Crop to qualify for insurance Coverage under this Contract.
58. **“Silage”** means an Insurable Crop seeded as an annual crop that is, prior to grain maturity, cut, fermented and stored as livestock feed.
59. **“Spouse”** means an individual who is married to 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.
60. **“Spring Insurance Price”** means, for an Insurable Crop, the Insurance Price in the spring published by AFSC.
61. **“Stage”** means a defined period of insurance for an insurable Annual Crop.
62. **“Statement of Loss”** means the written notice given by AFSC to the Insured setting forth the loss and Indemnity as determined by AFSC.
63. **“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.
64. **“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.
65. **“Timothy Hay”** means pure perennial timothy grass, seeded and grown for the export market on irrigated or dryland acres, for mechanical harvesting and for compressed-bale processing.
66. **“Township Normal Yield”** means the long-term average production in a township as calculated by AFSC.
67. **“Uninsured Cause of Loss”** means any cause of loss that is not a Designated Peril.

68. **“Variable Price Benefit”** means the additional Dollar Coverage provided for an Insured Crop if the Fall Market Price is applied.
69. **“Volunteer Crop”** means any crop not intentionally sown in the spring or fall.
70. **“Volunteer Production”** means a Volunteer Crop having a weight comprised of more than six percent of the Harvested Production for Annual Crops.
71. **“Waterfowl”** means ducks, geese and sandhill cranes.
72. **“Wildlife”** means big game and upland game birds, as defined in the Regulation, and Waterfowl.
73. **“Winterkill Provision”** means coverage for Hay or Timothy Hay acres that are damaged due to winterkill in the year the claim is requested where:
  - a. the acres were insured in the previous year;
  - b. Hay acres have not had more than five years of production for alfalfa and legume and have not had more than eight years of production for grass;
  - c. Timothy Hay acres have not had more than five years of production.
74. **“Yield to Count”** means the yield used to calculate the Production Loss for Annual Crops.

## ARTICLE 2: INSURABLE CROPS

### A. Annual Crops

Insurable Annual Crops and their respective Designated Grades 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, grade 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, grade 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, Yellow, No. 2 Canada;
- r. Field Peas, Green/Other, No. 2 Canada;
- s. Flax, No. 1 CW;
- t. Fresh Vegetables, No. 1 Canada;
- u. Grain Corn, No. 2 CW;
- v. Great Northern Dry Beans, No. 1 Canada;
- w. Hemp Grain, grade not applicable;
- x. Hybrid Canola Seed, Canada Certified No. 1;
- y. Honey, grade not applicable;
- z. Kabuli Chickpeas, No. 2 CW (8 mm size);
- aa. Lentils, Green No.2 Canada;
- bb. Lentils, Red No. 2 Canada
- cc. Malt Barley, No. 1 CW;
- dd. Mixed Grain, Average;
- ee. Oats, No. 3 CW;
- ff. Oriental Mustard, No. 1 Canada;
- gg. Pink Dry Beans, No. 1 Canada;
- hh. Pinto Dry Beans, No. 1 Canada;
- ii. Potatoes Chip, grade not applicable;
- jj. Potatoes Creamer, No. 2 Canada
- kk. Potatoes Fry, grade not applicable;



- ll. Potatoes Seed, Certified Class\*;
- mm. Potatoes Table, No. 2 Canada;
- nn. Processing Vegetables, grade not applicable
- oo. Red Spring Wheat, No. 2 CWRS;
- pp. Red Winter Wheat, No. 2 CWRW;
- qq. Safflower, Average;
- rr. Silage or Greenfeed Crops, grade not applicable;
- ss. Small Red Dry Beans, No. 1 Canada;
- tt. Soybeans, grade not applicable;
- uu. Spring Rye, No. 2 CW;
- vv. Spring Triticale, No. 2 Canada;
- ww. Soft White Spring Wheat (for milling), No. 2 CWSWS;
- xx. Soft White Spring Wheat (for ethanol), No. 3 CWSWS;
- yy. Sugar Beets, grade not applicable;
- zz. Sunflowers Confectionary, Average;
- aaa. Sunflowers Oil, No. 1 Canada;
- bbb. Timothy Seed, Canada Certified No. 2;
- ccc. Winter Triticale, No. 2 Canada;
- ddd. Yellow Beans, No.1 Canada;
- eee. Yellow Mustard, No. 1 Canada;
- fff. 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.

## **B. Perennial Crops**

- a. Alfalfa (>50 percent) dryland intended for two cuts, in designated areas only; irrigated intended for multiple cuts
- b. Grass (<=50 percent Legume)
- c. Legume (>50 percent) intended for one cut including alfalfa, red clover, alsike clover, sainfoin, sweet clover and milkvetch
- d. Pure Timothy first cut grown for export market (dryland and irrigated)
- e. Native pasture
- f. Improved pasture
- g. Bush pasture
- h. Community pasture and forestry grazing leases

## **ARTICLE 3: EFFECTIVE DATE AND REQUIREMENTS/CONDITIONS OF INSURANCE**

### **A. Effective Date**

The Effective Date of this Contract is the date that the Application is filed by the applicant subject to acceptance by AFSC. The Contract is continuous and subject to payment of the prescribed Premium and remains in effect from year to year unless stated otherwise in the Insuring Agreement, subject to Article 8 (Continuation, Transfer, Cancellation or Termination of Contract).

### **B. Insured Eligibility**

1. A person is eligible for crop insurance if that person operates a farm in Alberta and is or will be
  - a. making decisions for cultural and cropping practices for that farm,
  - b. directly responsible for work involved in producing insurable crops and for paying for that work,
  - c. receiving the majority share of the proceeds from the sale or disposition of insurable crops, and
  - d. has an interest (owns or rents) in the land that coverage is to be provided.
2. Notwithstanding subsection (1), any person who has an insurable interest in a crop is eligible to insure that crop against one or more of the following perils:
  - a. hail;
  - b. accidental fire;
  - c. fire caused by lightning

### **C. 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.

#### **D. Premiums**

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

#### **E. Insured Acres**

1. Clients shall insure all eligible acreage and all seeded acreage of each Insured Crop, or in the case of Perennial Crops, for each selected Insuring Agreement. Insured acres are not insurable under any other crop insurance program, except for applicable endorsements or where AFSC has consented in writing.
2. For Annual Crops, 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.
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 inspection, reseed inspections, unseeded inspections or acreage verification, 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 crop type and 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 Annual Crop seeded acres, or for Perennial Crops, 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.

#### **F. Coverage Restrictions**

AFSC, in its discretion, may limit, restrict, exclude or deny Coverage in whole or in part. See the Annual Crops Booklet and the Perennial Crops Booklet for situations in which this section applies.

#### **G. Uninsured Causes of Loss**

See the Annual Crops Booklet and the Perennial Crops Booklet for detailed information regarding Uninsured Causes of Loss.

#### **H. 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, AFSC will deem the Appraised Potential Production to be zero, and the uninsured causes to be equal to Coverage on 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 standing 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.

6. If Hay or Timothy Hay is intended to be ploughed under or sprayed out prior to haying being general in the area, the Insured must provide AFSC with prior notification to obtain release.
  - a. If the released Hay or Timothy Hay acres are subsequently seeded to an elected annual crop, then these acres can be transferred to an Annual Crop Contract, subject to the terms and conditions of the Contract of Insurance for Annual Crops.
  - b. If the released acres are not seeded to an elected annual crop, the acres will remain insured under the Hay subscription or the Timothy Hay insurance; 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.

## **I. 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 in the case of Annual Crops); and
  - b. production from irrigated and dryland acres must be stored and reported separately.

## **J. 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.

## **ARTICLE 4: PRODUCTION**

### **A. Harvested Production Report**

1. The Insured shall provide AFSC with a complete Harvested Production Report in each Crop Year on or before:
  - a. September 15 for Creeping Red Fescue and Pedigreed Timothy Seed;
  - b. October 15 for Hay;
  - c. October 15 for Timothy Hay or within 15 days after baling the Insured Crop, whichever is earlier, and the Harvested Production Report for Timothy Hay must state expected grade.
  - d. October 30 for Honey Insurance;
  - e. November 15 in each Crop Year for Crop Insurance (excluding Creeping Red Fescue and Pedigreed Timothy Seed) and Processing Vegetable Insurance;
2. Harvested Production Reports received after the dates listed in subsection (1) 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 for Annual Crops, and up to March 1 of the next crop year for Hay or Timothy Hay, by providing supporting documentation that is satisfactory to AFSC.

### **B. Carryover Inventory and Uninsured Production**

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 or Hay or Timothy Hay purchases. See the Annual Crops Booklet and the Perennial Crops Booklet for specific requirements.

### **C. 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 pro-rating, and pro-rating of production.

### **D. 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:
  - a. grade, weight, dockage, and moisture content for Annual Crops,
  - b. weight and moisture content for Hay, or
  - c. grade, weight, and moisture content for Timothy Hay,

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 the Harvested Production sold or delivered 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;
  - b. a representative sample of the Harvested Production, as determined by AFSC, is not provided, and one of the following two conditions is met;
    - i) the Harvested Production is sold to a party that is not a Licensed Buyer; or
    - ii) the Harvested Production is not graded in accordance to the Canadian Grain Commission Standards
4. The grade of production fed prior to AFSC taking a sample will be deemed to be Designated Grade.
5. In the case of Timothy Hay, the grade of production sold or fed prior to AFSC taking a sample will be deemed to be the same as the sample taken, or if all production has been sold or fed, the grade will be Choice.
6. If the Harvested Production for Annual Crops 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.

### **E. Storage of Harvested Production**

In the event that the Harvested Production is stored in such a manner as it is not possible to obtain an accurate production count, AFSC may in its discretion, assign uninsured losses up to Coverage, as the Insured's production for the Crop Year.

## **ARTICLE 5: CLAIMS FOR LOSS**

### **A. Deadline for Claims**

1. A claim for loss under the Contract must be made:
  - a. within the deadline stipulated in an Insuring Agreement;
  - b. before December 31 in the calendar year in which the loss is claimed to have occurred, if no claim deadline is stipulated in an Insuring Agreement;
  - c. before the filing deadline for a Land Report stipulated in Part I, Article 7, Section A for unseeded acreage;
  - d. within 14 days after the day the crop was damaged by hail or fire;
  - e. on or before June 20 for a Stage 1 loss under Part II, Section A. Subsection 1 of this Contract; and
  - f. on or before December 31 for the Unharvested Acreage Benefit under Part II, Section D.

### **B. Notice of Loss**

1. An Insured wishing to make a claim for a loss must provide to AFSC a Notice of Loss in a time period as follows:
  - a. on or before June 20 for a Stage 1 loss under Part II, Section A. Subsection 1 of this Contract
  - b. on or before June 20 for unseeded acreage for Annual Crops;
  - c. within 14 days after the day the crop was damaged by hail or fire;
  - d. on or before November 15 for Annual Crops;
  - e. on or before October 15 for Hay;
  - f. within 15 days of the date harvest is completed and no later than October 15 for Export Timothy Hay; and

- g. at least 72 hours prior to harvest if a crop is damaged by Wildlife.
2. An Insured wishing to claim for a loss under the Pasture Spot Loss Fire Benefit must provide to AFSC a Notice of Loss and comply with the following, the Insured must:
    - a. notify AFSC on or within 14 Business Day(s) of the date that the fire occurred;
    - b. advise AFSC of the cause of the fire; and
    - c. advise AFSC of the legal land description and acres damaged by the fire.
  3. If the Insured is late in filing a Notice of Loss AFSC may reject the claim.

### **C. Statement of Loss and Inspections**

1. 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
2. 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.
3. If the Insured does not, within seven days of service of the Inspection Report advise AFSC of the Insured's disagreement with the report or does not request a re-inspection, AFSC will issue the Statement of Loss according to the Inspection Report.
4. 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.

### **D. Re-inspection**

1. After an inspection, pursuant to Article 5, Section C(1)(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.

### **E. Service of Documents**

1. 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.
2. 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.

## **ARTICLE 6: INDEMNITIES**

### **A. Payment of Indemnity**

1. 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.
2. Where there is more than one Insured under a Contract, AFSC will pay any Indemnity to all Insured persons together in one

payment, or with written confirmation of all insured persons or interested parties, to any of them severally or separately, as the case may be. 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 to the designated Insured.

3. The Insured must notify AFSC within 15 days of the Statement of Loss if the Insured disagrees with the amount of Indemnity.

## **B. 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.

## **C. 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.

## **ARTICLE 7: ANNUAL CROPS**

### **THE SECTIONS IN THIS ARTICLE ONLY APPLY TO ANNUAL CROPS**

#### **A. Land Report**

1. 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.
2. AFSC reserves the right to reject requests for changes to the Land Report after the filing deadline of June 20.
3. The Land Report shall be completed in a form determined acceptable by AFSC.
4. 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.
5. Where the Insured fails to file a Land Report by the June 20 deadline AFSC may, in its discretion:
  - a. accept the Land Report, if received by June 25, and assess a penalty to be paid by the Insured in full before the start of the next crop year,
  - 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.

#### **B. 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.

**C. 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.

**ARTICLE 8: CONTINUATION, TRANSFER, CANCELLATION OR TERMINATION OF CONTRACT**

**A. 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 the Decision Date in any year. If this occurs, the Contract shall end on the Decision Date 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 subsections 1 or 2, the Insured may apply in writing for reinstatement. An application for reinstatement must be filed on or before the Decision Date immediately following the last calendar year in which the Contract was in force. On acceptance of reinstatement by AFSC, AFSC shall assess: (i) a premium adjustment and (ii) the Final Individual Normal Yield or the Expected Normal Yield 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 the 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 any 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 refund to the Insured any unearned premiums that relate to that Contract.

7. AFSC may cancel this Contract or any 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.

## **B. Sale or Purchase of Acreage**

1. For Annual Crops, the Contract or Insuring Agreement may be cancelled with AFSC's consent where the Insured sells, leases, or otherwise disposes of all or part of 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. This must be done prior to the filing of the Land Report on or before June 20 for all other crops on land that was not sold.
2. If the Insured sells acreage of an Insured Crop after April 30 for Annual Crops, or on or after March 1 and before June 1 in the same calendar year for Perennial Crops, the following applies:
  - a. if the Insured advises AFSC in writing of the finalized sale before the Land Report is filed for Annual Crops, or June 1 in the same calendar year for Perennial Crops, and provides evidence of the sale satisfactory to AFSC, then the Coverage for the sold acreage of an Insured Crop will be cancelled and the Premium refunded;
  - b. if the purchaser provides evidence of the purchase satisfactory to AFSC, and the purchased acreage is the only acreage of an Insured Crop the purchaser operates, then the purchaser may obtain the same insurance Coverage as the Insured's Contract on purchased acreage; and
  - c. if the purchaser has the same crop insured with AFSC, the purchased acreage of an Insured Crop must be insured subject to the existing Dollar Coverage or Coverage level and Insurance Price under the purchaser's Contract.
3. For Annual Crops, if the Insured sells acreage of an Insured Crop 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.
4. For Perennial Crops, if the Insured buys acreage of an Insurable Crop on or after March 1 and before June 1 in the same calendar year the following applies:
  - a. the Insured must advise AFSC in writing of the finalized purchase before June 1 in the same calendar year and provide evidence of the purchase satisfactory to AFSC;
  - b. the newly acquired acreage of an Insurable Crop must be insured subject to existing Dollar Coverage or Coverage Level and Insurance Price under the Insured's existing Policy for the same crop; and
  - c. the newly acquired acreage of an Insurable Crop may be subject to an acceptance inspection pursuant to the Insuring Agreement.
5. 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.

## **C. Death of an Insured**

1. In the event of the death of an Insured:
  - a. if AFSC is notified prior to the filing of the Election of Insurance for Annual Crops, or prior to the Insurance Program's application deadline for Perennial Crops, that the Insured has died, the Contract or any Insuring Agreement may be terminated.
  - b. if AFSC is notified after the filing of the Election of Insurance or after the Insurance Program's application deadline that the Insured has died, and the death occurred prior to the Land Report filing deadline or prior to the Insurance Program's application deadline, AFSC in its discretion, may continue or terminate the Contract or any Insuring Agreement.
  - c. if the Insured dies after the filing of the Land Report or after the Insurance Program's application deadline, 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.
2. Subject to Article 6, Section C (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.

#### **E. Continuation**

In the case of Annual Crops, 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. In the case of Perennial crops, except as may be otherwise stated in an Insuring Agreement, the Insured may modify the current insurance Contract, and specify acres, crops, the Coverage Level, the Insurance Price option and endorsements before the start of the Crop 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 for Annual crops or before the start of the Crop Year for Perennial Crops, the previous year's Election shall apply.

### **ARTICLE 9: MISREPRESENTATION OR MISCONDUCT**

#### **A. 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 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 possibly 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.

### **ARTICLE 10: APPEALS**

#### **A. 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 Article 5 (Claim for Loss), the Insured may only appeal a Statement of Loss if the Insured has notified AFSC within the time period required by Subsection 5.C.(4) 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.

### **ARTICLE 11: SUBROGATION**

If AFSC has paid a claim of the Insured, all rights of the Insured to claim against a third person, other than for other insurance, for loss or damage to the Insured Crop are hereby assigned to AFSC to the extent of the amount of loss paid by the corporation to the Insured for the loss or damage.

## **ARTICLE 12: INTEREST AND REMEDIES**

### **A. Interest**

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.

### **B. Remedies**

1. 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.
2. The rights, remedies and privileges of AFSC under this Contract are cumulative and any one or more may be exercised.

## **ARTICLE 13: NOTICE AND PAYMENTS**

### **A. 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 must be 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 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.

## **ARTICLE 14: RECORDS, AUDITS, AND ACCESS**

### **A. Records Generally**

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.

2. 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.
3. 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.

## **B. Audits**

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.

## **C. Access**

1. By entering into this Contract with AFSC, the Insured hereby grants AFSC an irrevocable license for the duration of the Contract access to 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.

2. 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.
3. 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.
4. 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.
5. If the Insured fails to comply with any part of Article 14, AFSC may refuse to pay any Indemnity until the Insured has remedied the failure to comply.
6. At AFSC's request, the Insured shall submit to examination under oath and produce all documents that relate to the matters in question. Either party may change an address for service by giving written notice of such change to the other party.

## **ARTICLE 15: SEPARATE CONTRACTS**

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.

## **ARTICLE 16: AMENDMENTS, WAIVER OR ALTERATION**

### **A. 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.

### **B. 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.

## **ARTICLE 17: MISCELLANEOUS**

### **A. 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.

### **B. Binding Effect**

This Contract shall be for the benefit of and binds the successors and assigns of the parties.

### **C. Canadian Currency**

All references to dollar amounts in this Contract are in Canadian currency.

### **D. 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.

### **E. Governing Law**

This Contract shall be governed by the laws of the Province of Alberta.

### **F. 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.

### **G. Time is of the Essence**

Time is of the essence of this Contract.

## PART II: ANNUAL CROP 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, Article 3, Section H (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) percent 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:

$$\{[(\text{Individual Coverage Normal Yield} \times \text{Coverage Level} \times \text{Number of Insured Acres}) - \text{Adjusted Production}] \times \text{Insurance Price}\} - \text{Wildlife Damage Compensation Program payments.}$$

- 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 reseeded 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 per quarter section (deductible).
5. The sum of [total acres seeded + total eligible acres + total deductible] cannot exceed the Declared Acres. Acres eligible for payment will be calculated as the lesser of the total eligible acres (unseeded less deductible) and the total Declared Acres less the total seeded 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 Benefit**

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 Part I, Article 7, Paragraph C.1.c) provided:
  - a. Harvested Production Report indicating the unharvested acres is filed with AFSC subject to Part I, Article 4, Section A 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. Where acres are 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.

**E. Water Allocation Restriction Benefit**

1. The Insured is eligible for the Water Allocation Resource Restriction Benefit if:
  - a. The Insured Elected irrigation Coverage for the Crop Year;
  - b. The Insured seeded an insurable Crop eligible for irrigation Coverage, subject to the conditions under Part I, Article 3, Section I of this Contract;
  - c. Water allocations to the irrigated land of the Insured Crop have been restricted by the Government of Canada, Government of Alberta, or any other authorized regulatory body during the Crop Year;
  - d. The Production Loss is a result of drought;
  - e. The Insured applied no less than 50 percent of the restricted water allocation on a per acre basis to the Insured Crop;
  - f. The full allotment of the restricted water allocation must be applied to the Insured's Insured Crop(s); and
  - g. When filing the Harvest Production Report, the Insured reports by field where water allocation restrictions were imposed for the Crop Year.
2. Notwithstanding subsection (1), if the Insured transfers water allocated to acres of the Insured Crop to a crop other than an alternate Insured Crop, Uninsured Causes of Loss will be applied to that Insured Crop.

## 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 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 coverage:

- a. May 31 – Camelina
- b. 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.

- a. **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.
- b. **June 5** – Barley, Spring Rye, Spring Triticale.
- c. **September 20 (previous year)** – Fall Rye, Winter Triticale, Winter Wheat (North of Bow River).
- d. **September 30 (previous year)** – Fall Rye, Winter Triticale, Winter Wheat (South of Bow River).

##### 4. Contract Requirements for Malt Barley

- 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. If the Insured fails to provide the contract to AFSC by June 20 of the Crop Year, Coverage and Premium will revert to commercial end use for all barley acres grown.

##### 5. Pricing Options

- a. Where the Insured elects malting end use and complies with Section B.4, Barley (Malting) price will be applied. Otherwise, commercial Barley price will be applied.
- b. A high protein pricing option is available for Hard Red Spring Wheat and Durum Wheat.

##### 6. 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.
- f. Camelina, Canary Seed, and Hemp Grain crops are not eligible for Quality Loss.

**7. Fall Market Price based on proxy crop**

- a. the Fall Market Price for Mixed Grain, Malt Barley, 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, Yellow Field Peas, Green/Other Field Peas, Red Lentils or Green Lentils, Soybeans.
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 coverage:

- a. May 25 for Chickpeas, Faba Beans and Lentils
- b. June 1 for Field Peas
- c. June 10 for Dry Beans and Soybeans

#### **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

##### **c. Soybeans**

The following conditions apply to Soybeans:

- i) Soybeans are an Insurable Crop only if grown on irrigated land in areas designated by AFSC; and
- ii) Spring Price Endorsement and Variable Price Benefit are not available for Soybeans under this Agreement.
- iii) Soybeans are not eligible for Quality Loss.

#### **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. 2 Canada Yellow 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, Yellow Field Peas, Green/Other Field Peas, Flax, Hemp Grain, 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 of 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 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, Soybeans, Brown Mustard, Oriental Mustard, Yellow Mustard, Oats, Yellow Field Peas, Green/Other 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 Yellow Field Peas, Green/Other 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 an Insurable Crop under this Insuring Agreement will be the Spring Insurance Price for that Insurable Crop times the percentage change between the Spring Insurance Price and the Fall Market Price for the respective Commercial crop as determined by AFSC. 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:
  - 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 an Insurable 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 per acre – 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 the 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 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, Creamer Potatoes, Table Potatoes (Russet) and Table Potatoes (Other).
2. **“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 in order to insure Fry Potatoes, Chip Potatoes or Creamer Potatoes.

#### **3. Minimum Insurable Acres**

Each Insurable Crop shall be grown on a minimum of five acres.

#### **4. Insurable Varieties**

- a. 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.
- b. an Insurable Crop of Creamer Potatoes must be seeded with an AFSC approved variety seed.

#### **5. Seeding Deadlines**

The last date, as established by AFSC, to seed a crop to qualify for Production Insurance Coverage is June 10.

#### **6. Pricing Options**

The price of Potatoes will be determined by the elected end-use of Chip Potatoes, Fry Potatoes, Seed Potatoes or Table Potatoes.

#### **7. End-use Adjustment**

- a. 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.
- b. 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.

#### **8. Creamer Potato Agronomics**

Uninsured causes of loss may be applied to a Creamer Potato crop if the Insured fails to:

- a. plant creamer potatoes at the prescribed row spacing for the variety planted; or
- b. top kill creamer potatoes at 60 to 80 percent maturity.

#### **9. 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 a Designated 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 a Designated 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 coverage is:

- 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 payment 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 payment 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, Greenfeed or Swath-grazing: Annual Ryegrass, Barley, Canada Prairie Spring Wheat, Canada Northern Hard Red Wheat, Canada Western Special Purpose Wheat, Cereal Mixture, Cocktail Crops, Durum Wheat, Extra Strong Red Spring Wheat, Faba Beans, Fall Rye, Feed Turnips, Yellow Field Peas, Green/Other Field Peas, Italian Ryegrass, Lupines, Millet, Oats, Oilseed Mix, Pulse Mix, Red Spring Wheat, Red Winter Wheat, Silage Corn, Soft White Spring Wheat, Sorghum, Sorghum-Sudan, Grass, Spring Rye, Spring Triticale, or Winter Triticale.
2. **"Cocktail Crops"** means an Insured Crop that:
  - a. comprises of a minimum of three different crop types;
  - b. the Primary Crop is an Insurable Crop under this Insuring Agreement excluding Cereal Mix, Cocktail Crop or Oilseed Mix;
  - c. the Primary Crop is 35 percent or more of the Cocktail Crop's total plant stand; and
  - d. no single crop type, that is not an Insurable Crop, composes more than 20 percent of the Cocktail Crop's total plant stand.
3. **"Insured Feedgrains"** means the following crops used to determine Proxy Area Adjusted Production: barley, mixed grain, oats, spring rye and spring triticale.
4. **"Payment Rate"** means the rate of compensation at which the Insured is indemnified, as determined by AFSC.
5. **"Primary Crop"** means the largest single crop type or variety in a stand of multiple crop types or varieties.
6. **"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.
7. **"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.
8. **"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 Silage Corn, the Dollar Coverage per Acre is increased by an amount determined by AFSC and which may be updated by AFSC from time to time.
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 than Proxy Area Coverage, and will be calculated as follows:  
$$\frac{((\text{Proxy Area Coverage}) - (\text{Proxy Area Adjusted Production}))}{(\text{Proxy Area Coverage})} \times 100\%$$
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 Mixture, Cocktail Crops, Durum Wheat, Extra Strong Red Spring Wheat, Faba Beans, Fall Rye, Feed Turnips, Yellow Field Peas, Green/Other Field Peas, Italian Ryegrass, Lupines, Millet, Oats, Oilseed Mix, Pulse Mix, Red Spring Wheat, Red Winter Wheat, Silage Corn, 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. **"Cocktail Crops"** means an Insured Crop that:
  - a. comprises of a minimum of three different crop types;
  - b. the Primary Crop is an Insurable Crop under this Insuring Agreement excluding Cereal Mix, Cocktail Crop or Oilseed Mix;
  - c. the Primary Crop is 35 percent or more of the Cocktail Crop's total plant stand; and
  - d. no single crop type, that is not an Insurable Crop, composes more than 20 percent of the Cocktail Crop's total plant stand.
4. **"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).
5. **"July Moisture"** is the amount of precipitation, as determined by AFSC, for the month of July, for a Selected Weather Station(s).
6. **"June Moisture"** is the amount of precipitation, as determined by AFSC, for the month of June, for a Selected Weather Station(s).
7. **"May Moisture"** is the amount of precipitation, as determined by AFSC, for the month of May, for a Selected Weather Station(s).
8. **"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).
9. **"Normal Precipitation"** means the long-term average precipitation, as determined by AFSC, for a Selected Weather Station(s).
10. **"Payment Rate"** means the rate of compensation at which the Insured is indemnified, as determined by AFSC.
11. **"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.
12. **"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.
13. **"Primary Crop"** means the largest single crop type or variety in a stand of multiple crop types or varieties.
14. **"Selected Weather Station(s)"** means eligible weather station(s) elected, to a maximum of three, by the Insured and approved by AFSC.
15. **"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  $(90\% \text{ of intended acres} - \text{seeded acreage}) \times (\text{average Premium per acre for the seeded acreage})$ .

**5. 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 for Silage/Greenfeed. In the case of Silage Corn, the Dollar Coverage per Acre is increased by an amount determined by AFSC and which may be updated by AFSC from time to time.

**6. 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.

**7. 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.

**8. 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.

**9. Restrictions**

The unharvested acreage benefit is not available under this Insuring Agreement.

**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 June 30.

#### **5. Report of Producing Hives**

- a. on or before June 30 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 31.

#### **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 deemed eligible for coverage by AFSC 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. **"Coverage Level"** means 90 percent of the expected survival rate of the Insurable Hives.
5. **"Designated Perils"** for purposes of this insuring agreement 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
6. **"Dollar Coverage per Hive"** means the insured value per Hive selected at the time of the Election of Hives.
7. **"Hives"** means Hives arranged in single or double chambers or such other arrangements of Hives that AFSC, in its discretion, accepts for Coverage under this Insuring Agreement.
8. **"Hives Declared Dead"** means Hives with insufficient Bees to make the Hive salvageable, as determined by AFSC during its spring adjusting inspection.
9. **"Hives Declared Weak"** means Hives with sufficient Bees to make the Hive salvageable with replacement, as determined by AFSC during its spring adjusting inspection.
10. **"Hives Declared Adequate or Strong"** means Hives with an abundant number of Bees, brood, pollen and honey stored as determined by AFSC during its spring adjusting inspection.
11. **"Individual Survival Rate"** means the expected survival rate of the Insurable Hives in which Coverage is offered to an Insured as calculated by AFSC, based on the Insured's historical survival rate of Insurable Hives, and if required, the Risk Area's survival rate.
12. **"Insurable Hive"** means a Hive that is deemed eligible for insurance by AFSC at the fall acceptance inspection.
13. **"Surviving Hives"** means the number of Hives Declared Adequate or Strong plus one third of the Hives Declared Weak, as determined by AFSC during the spring adjusting inspection.
14. **"Uninsured Causes of Loss"** means any cause of loss that is not caused by a Designated Peril that includes but is not limited to:
  - a. losses attributable to management;
  - b. wildlife damage;
  - c. theft or vandalism; or
  - d. untreated diseases or infestations.
15. **"Uninsurable Hive"** means a Hive not accepted for insurance by AFSC at the 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 30 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 30 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. **Pricing Option**

High and Low Pricing Options are available for this Insuring Agreement.
10. **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).
11. **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.
12. **Sale or Purchase of Hives Following Election of Hives**
  - c. 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

- d. 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:

$$[(\text{Insurable Hives} \times \text{Individual Survival Rate} \times \text{Coverage Level}) - (\text{Surviving Hives}) - (\text{Hives lost due to Uninsured Causes of Loss})] \times \text{Dollar Coverage per Hive}$$

If negative, no Indemnity is paid.

## **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-based insurance subscription 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 Claims Adjusting Services.
- 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 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 =  $\frac{[(\text{Pre-Harvest Gross Award on Dryland Acres} + \text{Post Harvest Gross Award on Dryland Acres})]}{(\text{Total Dollar Coverage on Dryland Acres})}$

Loss Percentage on irrigated acres =  $\frac{[(\text{Pre-Harvest Gross Award Irrigated}) + (\text{Post Harvest Gross Award on Irrigated Acres})]}{(\text{Total Dollar Coverage on Irrigated Acres})}$

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 =  $[(\text{Loss Percentage on Dryland Acres}) \times (\text{NCII Dollar Coverage on Dryland Acres})] + [(\text{Loss Percentage on Irrigated Acres}) \times (\text{NCII Dollar Coverage on Irrigated Acres})]$

**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:

<b>Date of Cancellation</b>	<b>Premium Earned By AFSC</b>	<b>Premium Refund to the Insured</b>
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 Uninsured Cause of Loss, even though the loss may have occurred in conjunction with a Designated 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, 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 (excluding Soybeans), 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 2CW 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:  
$$[(\text{Price Decline} \times (\text{Deemed Production})) - [(10 \text{ percent}) \times (\text{Spring Insurance Price})]]$$
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:  
$$[(\text{Price Decline}) / (\text{Spring Insurance Price})] \times [(\text{Dollar Coverage}) - (\text{Indemnity})] - [(10 \text{ percent}) \times (\text{Spring Insurance Price})]$$
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.

## PART XXV: HAY INSURING AGREEMENT

AFSC will indemnify the Insured for damage caused by Designated Perils to Hay subject to the following terms and conditions:

### A. Definitions

In this Insuring Agreement:

1. **“Insurable Crop”** means Hay.
2. **“Accelerated”** means the additional Indemnity calculated when an Insured produces less than 30 percent of their Expected Normal Yield.
3. **“Adjusted Production”** means the Appraised Potential Production and Harvested Production of a hay crop adjusted for moisture, low yield, and production due to Uninsured Causes of Loss, all as determined by AFSC.
4. **“Uninsured Production”** means Hay/grass or other Legumes harvested from roadsides, rejected fields, uninsured acreages or land acquired after the insurance deadline.

### B. Conditions

1. **Period of Insurance**  
Begins at the start of the Crop Year and shall end at the earlier of:
  - a. the date the Hay or any part of it is put to a use other than that for which it was originally intended;
  - b. the date the Hay is harvested; or
  - c. October 15 of the year in which the Hay crop would normally have been harvested.
2. **Confirmation of Insurance and Election of Coverage**  
Before the start of each Crop Year, the Insured must declare the number of acres, legal land descriptions, type of Hay to be insured, elect the Coverage Level, Insurance Price option and endorsement on a form supplied by AFSC.
3. **Obligation to Insure all Hay**  
All acreage managed as Hay (dryland and irrigated) must be insured and there is a minimum of 20 acres for this Insuring Agreement.
4. **Acceptance inspection**  
The Insurable Crop may be subject to an acceptance inspection and AFSC may, at its discretion, change Coverage or reject insurance.
5. **Pre-harvest inspection or release required**  
If Hay is to be Put To Another Use, the Insured must notify AFSC a minimum of five days prior to beginning harvest and request a pre-harvest inspection or release by AFSC.
6. **Excluded crops**  
This Insuring Agreement does not provide Coverage for the following:
  - a. Hay in the year it is seeded, or Hay pastured consecutively in the previous two years;
  - b. native hay;
  - c. pasture;
  - d. Hay grown on land subject to repeated flooding or where excess moisture is a recurring problem;
  - e. straw from either grass or legumes grown for seed.
7. **Coverage Adjustment Restrictions**  
AFSC in its discretion may change the Insured’s Coverage Adjustment at any time due to major changes in management practices, acreage, land location, confirmed yields or experience.

### C. Indemnities

1. Prior to first cut haying being general in the area, as determined by AFSC, an Indemnity will be calculated as follows:
  - a. if selected by the Insured, a Premium refund on damaged acres; or

- b. an Indemnity not to exceed 50 percent of the Dollar Coverage by crop; or
- c. Appraised Potential Production shall not be less than 50 percent of Coverage by crop.

If only a portion of the total acreage of an Insured Crop is released because of damage, the appraisal will be added to the Adjusted Production from the remaining acreage of the Insured Crop.

- 2. Once all the Harvested Production and Appraised Potential Production for the Insured is reported for the year:
  - a. If the Insured incurs a loss from Designated Perils on or before October 15 in each year, the Indemnity for the harvested Hay will be calculated based on full Coverage as follows:
    - i) If the Adjusted Production is less than Coverage but equal to or greater than 30 percent of the Expected Normal Yield for all Insured Acres (Expected Normal Yield x Insured Acres), Indemnities will be an amount equal to:  

$$[(\text{Coverage} - \text{Adjusted Production}) \times \text{Insurance Price}] - \text{Wildlife Damage Compensation Program payments.}$$
    - ii) If the Adjusted Production is less than 30 percent but greater than 20 percent of the Expected Normal Yield for all Insured Acres, Indemnities will be Accelerated by compensating for twice the loss between 20 and 30 percent, and shall be an amount equal to:  

$$\{[\text{Coverage} - (\text{Adjusted Production} - \{((\text{Expected Normal Yield} \times \text{Insured Acres} \times 30\%) - \text{Adjusted Production}) \times 2\})] \times \text{Insurance Price}\} - \text{Wildlife Damage Compensation Program payments.}$$
    - iii) If the Adjusted Production is less than or equal to 20 percent of the Expected Normal Yield for all Insured Acres (Expected Normal Yield x Insured Acres), Indemnities will be an amount equal to, but not exceeding;  

$$[\text{Coverage} \times \text{Insurance Price}] - \text{Wildlife Damage Compensation Program payments.}$$
  - b. AFSC may apply, in its discretion, the Appraised Potential Production if the Insured has not completed harvest on or before October 15.

## PART XXVI: MOISTURE DEFICIENCY ENDORSEMENT INSURING AGREEMENT

AFSC will indemnify the Insured when the Percent of Normal Moisture is less than the Threshold Moisture at the Selected Weather Station(s) for the Insured's dryland Hay, subject to the following terms and conditions:

### A. Definitions

In this Insuring Agreement:

1. **"Insurable Crop"** means Hay grown on non-irrigated land.
2. **"August Moisture"** is the amount of precipitation, as determined by AFSC, for the month of August, for Selected Weather Station(s).
3. **"Dollar Coverage"** means the dollar amount of this additional Coverage and is based on 15 percent of 80 percent of the Risk Area Normal Yield for the type of Hay being insured and the highest Spring Insurance Price.
4. **"Hay"** means seeded perennial tame grass, Legumes or grass-Legume mix crops grown for mechanical harvesting for use as livestock feed.
5. **"July Moisture"** is the amount of precipitation, as determined by AFSC, for the month of July, for a Selected Weather Station(s).
6. **"June Moisture"** is the amount of precipitation, as determined by AFSC, for the month of June, for a Selected Weather Station(s).
7. **"May Moisture"** is the amount of precipitation, as determined by AFSC, for the month of May, for a Selected Weather Station(s).
8. **"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).
9. **"Normal Precipitation"** means the long-term average precipitation, as determined by AFSC, for a Selected Weather Station(s).
10. **"Payment Rate"** means the rate of compensation at which the Insured is indemnified, as determined by AFSC.
11. **"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, expressed as a percent of their respective Normal Moisture, with each period of moisture weighted by the Weighting Option elected by the Insured.
12. **"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.
13. **"Selected Weather Station"** means eligible weather station(s) elected, to a maximum of three, by the Insured and approved by AFSC.
14. **"Threshold Moisture"** is the Percent of Normal Moisture for a Selected Weather Station(s) below which insurance payments begin. The Threshold Moisture is 80 percent for this insurance program.
15. **"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. Before the start of each Crop Year, on a form supplied by AFSC, the Insured must elect:
  - a. the Moisture Deficiency Endorsement for dryland Insured Crop(s) under the Hay Insuring Agreement;
  - b. the Selected Weather Station(s); and
  - c. the Weighting Option.
2. A person who has a direct or indirect conflict of interest with precipitation data provided at one or more weather station(s) used for Moisture Deficiency Endorsement shall not purchase insurance based upon the data from the weather station 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 weather data for a weather station.
3. If more than one weather station is elected by the Insured, the premium rate will be based on the average of the premium rates for the Selected Weather Station(s).
4. AFSC will use precipitation data provided by the Alberta Government ministry responsible for Agriculture. If AFSC is not able to do the assessment due to insufficient data being provided, 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 Premiums.
5. Daily recorded precipitation at a Selected Weather Station(s) is capped at an amount equal to the Normal Precipitation for the month.
6. Monthly recorded precipitation at a Selected Weather Station(s) is capped at an amount equal to one and a half times the Normal Precipitation for that month.
7. Variable Price Benefit is not available under this Insuring Agreement.

**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 percent 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 equal to or more than the Threshold Moisture. For each 2% decrease that the Percent of Normal Moisture is below the Threshold Moisture, the Payment Rate will increase by 5% of the insured Dollar Coverage.
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 XXVII: EXPORT TIMOTHY HAY INSURING AGREEMENT

AFSC will indemnify the Insured for damage caused by Designated Perils to first-cut pure Timothy Hay grown for the export market subject to the following terms and conditions:

### A. Definitions

In this Insuring Agreement:

1. **“Insurable Crop”** means first-cut Timothy Hay grown for the export market.
2. **“Adjusted Production”** means the Appraised Potential Production and Harvested Production of Timothy Hay adjusted for moisture and Grade Factor, and production due to Uninsured Causes of Loss, all as determined by AFSC.
3. **“Designated Grade”** for Timothy Hay means the grade known as choice, based on "greenness" colour analysis score (> 60 to 80) from the TrueGrade HayScan system technology, or other method or specification determined by AFSC.
4. **“Grade Factor”** means a ratio of prices established by AFSC, based on the price of the grade to the price of the Designated Grade, to adjust Harvested Production and Appraised Potential Production for quality.
5. **“Uninsured Production”** means an Insurable Crop harvested from roadsides, rejected fields, uninsured acreages or land acquired after the insurance deadline.

### B. Conditions

1. **Period of insurance**  
Begins at the start of the Crop Year and shall end at the earlier of:
  - a. the date the Timothy Hay or any part of it is put to a use other than that for which it was originally intended; or
  - b. the date the Timothy Hay is harvested; or
  - c. October 15 of the year in which the Timothy Hay crop would normally have been harvested.
2. **Confirmation of Insurance and Election of Coverage**  
Before the start of each Crop Year, the Insured must declare the number of acres and legal land descriptions for the location of Timothy Hay to be insured and elect the Coverage Level on a form supplied by AFSC.
3. **Obligation to insure all Timothy Hay**  
All acres managed as Timothy Hay (dryland and irrigated) must be insured and there is a minimum of 20 acres for this Insuring Agreement.
4. **Acceptance inspection**  
The Insurable Crop may be subject to an acceptance inspection and at AFSC's discretion change coverage or reject insurance.
5. **Pre-harvest inspection or release required**  
If Timothy Hay is to be Put to Another Use, the Insured must notify AFSC a minimum of five days prior to beginning harvest and request a pre-harvest inspection and release by AFSC.
6. **Excluded crops**  
This Insuring Agreement does not provide Coverage for the following:
  - a. Timothy Hay in the year it is seeded; or
  - b. Timothy Hay pastured after the start of the Crop Year or improperly managed by grazing; or
  - c. Timothy Hay crops grown on land subject to repeated flooding or where excess moisture is a recurring problem; or
  - d. straw from timothy grown for seed.
7. **Coverage Adjustment restrictions**



AFSC, in its discretion, may change the Insured's Coverage Adjustment at any time due to major changes in management practices, acreage, land location, confirmed yields or experience.

8. **Grading of Timothy Hay**

Representative samples of Timothy Hay obtained by AFSC from the Insured's bales will be graded by AFSC using the TrueGrade HayScan System, or any other method deemed appropriate by AFSC. If Timothy Hay is sold prior to representative samples being taken by AFSC, no grade loss will be applied.

9. **Timothy Hay information required**

The Insured is required to provide AFSC the following:

- a. the weight of representative bales from each lot;
- b. the number of bales in each lot;
- c. a field record document; and
- d. for irrigated Timothy Hay acres, Insureds are required to maintain an Irrigation Log showing the dates of precipitation and approximate amount of water applied.

10. **Agronomic Practices**

AFSC may reduce or deny any claim if the Insured fails to adhere to accepted agronomic practices, including but not limited to the following:

- a. proper application of the required nitrogen; or
- b. proper control of weeds and foreign materials; or
- c. proper application of irrigation water if Timothy Hay is insured under irrigation.

11. **Irrigation Coverage**

Notwithstanding Part I (General Provisions), Article 3, Section K (Irrigation Coverage) subsection 1, at the time of the Confirmation of Insurance, AFSC in its discretion may limit insurance Coverage under irrigation only to Designated Areas.

12. **Variable Price Benefit not available**

The Variable Price Benefit is not available under this Insuring Agreement.

**C. Indemnities**

1. Prior to haying being general in the area, as determined by AFSC, an Indemnity will be calculated as follows:
  - a. if selected by the Insured, a Premium refund on damaged acres; or
  - b. an Indemnity not to exceed 50 percent of the Dollar Coverage; or
  - c. Appraised Potential Production shall not be less than 50 percent of Coverage, and is regarded as being of the Designated Grade.

If only a portion of the total acreage of an Insured Crop is released because of damage, the appraisal will be added to the adjusted production from the remaining acreage of the Insured Crop.

2. Once all the Harvested Production and Appraised Potential Production for the Insured is reported for the year an Indemnity will be calculated as follows:
  - a. An Indemnity will be calculated based on full Coverage by crop.
  - b. Harvested Production shall be separated by grade and standardized to ten percent moisture by weight.
  - c. Harvested Production is determined by averaging the weight of representative bales by grade from the insured acreage.
  - d. If cut Timothy Hay is not baled because of very poor quality, AFSC will apply, in its discretion, a Low Utility Grade on the Appraised Potential Production.
  - e. If the Insured incurs a loss from Designated Perils, the Indemnity for the Timothy Hay will be calculated as follows:  
[(Coverage - Adjusted Production) x Insurance Price] - Wildlife Damage Compensation Program payments.
  - f. AFSC will apply, in its discretion, the Appraised Potential Production, and a Grade on the Appraised Potential Production if the Insured has not completed harvest on or before October 15.

## PART XXVIII: MOISTURE DEFICIENCY INSURING AGREEMENT

AFSC will indemnify the Insured when the Percent of Normal Moisture is less than the Threshold Moisture at the Selected Weather Station(s) for the Insured's dryland pasture, including Native, Improved, Bush or Community Pasture, subject to the following terms and conditions:

### A. Definitions

In this Insuring Agreement:

1. **"Insurable Crop"** means Native Pasture, Improved Pasture, Bush Pasture, or Community Pasture.
2. **"August Moisture"** is the amount of precipitation, as determined by AFSC, for the month of August, for a Selected Weather Station(s).
3. **"Bush Pasture"** means dryland Native Pasture on which at least 60 percent of the area is covered by trees, as determined by AFSC.
4. **"Community Pasture"** means Native or Improved Pasture on dryland that is communally grazed and for which insured acreage is determined by the number of animal units allocated by grazing season.
5. **"Dollar Coverage"** means 80 percent of the long term average yield for the Insurable Crop for the Risk Area, multiplied by the Insurance Price elected by the Insured, multiplied by the number of acres insured.
6. **"Full Season"** means all Periods of Moisture in the Weighting Option elected by the Insured.
7. **"Improved Pasture"** means dryland perennial grasses and legumes growing on fenced land for the purpose of grazing livestock and where at least 60 percent of seeded species are still represented.
8. **"July Moisture"** is the amount of precipitation, as determined by AFSC, for the month of July, for a Selected Weather Station(s).
9. **"June Moisture"** is the amount of precipitation, as determined by AFSC, for the month of June, for a Selected Weather Station(s).
10. **"May Moisture"** is the amount of precipitation, as determined by AFSC, for the month of May, for a Selected Weather Station(s).
11. **"Native Pasture"** means dryland vegetation growing on fenced land for the purpose of grazing livestock and where at least forty (40) percent of grass species on that land are native to the surrounding area.
12. **"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).
13. **"Normal Precipitation"** means the long-term average precipitation, as determined by AFSC, for a Selected Weather Station(s).
14. **"Payment Rate"** means the rate of compensation at which the Insured is indemnified, as determined by AFSC.
15. **"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, expressed as a percent of their respective Normal Moisture, with each period of moisture weighted by the Weighting Option elected by the Insured.
16. **"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.

17. **“Selected Weather Station”** means eligible weather station(s) elected, to a maximum of three, by the Insured and approved by AFSC.
18. **“Split Season”** means the split of the Full Season period in two, as elected by the Insured.
19. **“Threshold Moisture”** is the Percent of Normal Moisture for a Selected Weather Station(s) below which insurance payments begin.
20. **“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. Before the start of each Crop Year, on a form supplied by AFSC, the Insured must declare:
  - a. the number of acres of Insurable Crop to be insured;
  - b. the legal land description of the land containing the Insurable Crop(s) being insured;
  - c. an Insurance Price option;
  - d. the Selected Weather Station(s); and
  - e. the Weighting Option.
2. All acres of an elected Insurable Crop must be insured and there is a minimum of 20 acres for this Contract.
3. Insured acreage for Community Pasture acreage will be based on the Risk Area livestock carrying capacity as determined by AFSC.
4. A person who has a direct or indirect conflict of interest with precipitation data provided at one or more weather station(s) used for Moisture Deficiency Insurance shall not purchase insurance based upon the data from the weather station 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 weather data for a weather station.
5. If more than one weather station is elected by the Insured, the premium rate will be based on the average of the premium rates for the Selected Weather Station(s).
6. AFSC will use precipitation data provided by the Alberta Government ministry responsible for Agriculture. If AFSC is not able to do the assessment due to insufficient data being provided, 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 Premiums.
7. Daily recorded precipitation at a Selected Weather Station(s) is capped at an amount equal to the Normal Precipitation for the month.
8. Monthly recorded precipitation at a Selected Weather Station(s) is capped at an amount equal to one and half times the Normal Precipitation for that month.

## **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 percent 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 equal to or more than the Threshold Moisture. For each 2% decrease that the Percent of Normal Moisture is below the Threshold Moisture, the Payment Rate will increase by 5% of the insured Dollar Coverage. The Threshold Moisture is 70 percent for Split Season.

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.
5. The total Indemnity paid is the greater of the combined Split Season Indemnities or the Full Season Indemnity.

**D. Pasture Put to Another Use**

1. After the start of the Crop Year, if an Insured Pasture Crop is intended to be ploughed down or sprayed out, the Insured must provide AFSC with prior notification to obtain release. If the released Pasture acres are subsequently seeded to an elected annual crop, then these acres can be transferred to an Annual Crop Contract, subject to the terms and conditions of the Contract of Insurance for Annual Crops. If the released acres are not seeded to an elected annual crop, AFSC will continue to view the released acres as insured with premium and coverage remaining in force and deem the potential Indemnity to be [Dollar Coverage x Payment Rate].

## PART XXIX: SATELLITE YIELD INSURING AGREEMENT

AFSC will indemnify the Insured when the Current Year Pasture Vegetation Index, expressed as a percentage of the Normal Pasture Vegetation Index, is less than the Threshold Pasture Vegetation Index in the township for the Insured's dryland pasture, including Native, Improved, Bush or Community Pasture, subject to the following terms and conditions:

### A. Definitions

In this Insuring Agreement:

1. **"Insurable Crop"** means Native Pasture, Improved Pasture, Bush Pasture, or Community Pasture.
2. **"Bush Pasture"** means dryland Native Pasture on which at least 60 percent of the area is covered in trees, as determined by AFSC.
3. **"Insuring Week"** means every consecutive seven days beginning the second Monday in May.
4. **"Community Pasture"** means Native or Improved Pasture on dryland that is communally grazed and for which insured acreage is determined by the number of animal units allocated by grazing season.
5. **"Current Year PVI"** means the sum of the weekly PVI, as determined by AFSC, for the selected Insuring Weeks in the current year.
6. **"Dollar Coverage"** means 80 percent of the long term average yield for the Insurable Crop for the Risk Area, multiplied by the Insurance Price elected by the Insured, multiplied by the number of acres insured.
7. **"Full Season"** is the option which includes all the weeks in the Period of Insurance elected by the Insured.
8. **"Improved Pasture"** means dryland perennial grasses and legumes growing on fenced land for the purpose of grazing livestock and where at least 60 percent of seeded species are still represented.
9. **"Native Pasture"** means dryland vegetation growing on fenced land for the purpose of grazing livestock and where at least 40 percent of grass species on that land are native to the surrounding area.
10. **"Normalized Difference Vegetation Index"** referred to as **"NDVI"** means a township-based vegetation index, as determined weekly by Statistics Canada for land that is predominantly pasture.
11. **"Normal NDVI"** means the long-term average NDVI, as determined by AFSC, for the selected Insuring Weeks.
12. **"Normal PVI"** means the long-term average PVI, as determined by AFSC, for the selected Insuring Weeks.
13. **"Pasture Vegetation Index"** referred to as **"PVI"** means a township-based vegetation index that is calculated weekly as  $[NDVI - (0.80 \times \text{Normal NDVI})]$  in the current year.
14. **"Payment Rate"** means the rate of compensation at which the Insured is indemnified, as determined by AFSC.
15. **"Percent of Normal PVI"** means the average of the weekly PVI compared to the average of the weekly Normal PVI for the township for the current year.
16. **"Period of Insurance"** means the Insuring Weeks that the Insured selects to calculate an Indemnity.
17. **"Split Season"** is the option to split the Full Season in two, as elected by the Insured.
18. **"Threshold PVI"** means 90 percent of the Normal PVI for the Full Season option and 85 percent for the Split Season option.

19. **“Weighting Option”** is the option elected by the Insured to apply specific percentages for each Period of Insurance.

## **B. Conditions**

1. Before the start of each Crop Year, on a form supplied by AFSC, the Insured must declare:
  - a. the number of acres of the Insured Crop;
  - b. the legal land description for the locations of the Insured Crop;
  - c. the Insurance Price option; and
  - d. the Full Season or Split Season option.
2. All acres of an elected Insurable Crop must be insured and there is a minimum of 20 acres for this Contract.
3. Insured acreage for Community Pasture acreage will be based on the Risk Area livestock carrying capacity as determined by AFSC.
4. This Insuring Agreement is subject to the availability of data for determining the NDVI. If the data is not available, 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 Premiums under this Insuring Agreement. At the discretion of AFSC, adjustments may be made for lack of data due to environmental conditions.
5. AFSC will use a network of cage sites to monitor and estimate pasture plant growth. This information may be used to augment the satellite information to revise Payment Rates, at the discretion of AFSC.

## **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 percent of the Dollar Coverage.
2. The Payment Rate will be calculated on a township basis. If the township has insufficient data to calculate PVI, the Payment Rate will be calculated based on area average PVI, as determined by AFSC. Payment Rate for land insured as Community Pasture will be based on a weighted township average PVI for townships in which the Community Pasture is located.
3. The Payment Rate for the township will be zero when the Pasture Vegetation Index is equal to or more than the Threshold PVI for that township. Below the Threshold PVI, the Payment Rate will increase by two and a half percent of the insured Dollar Coverage for each one percent decrease in the Pasture Vegetation Index expressed as a percent of Normal PVI.
4. If a Split Season option is selected, the total Indemnity paid is the greater of the combined Split Season indemnities or the Full Season Indemnity.

## **D. Pasture Put to Another Use**

1. After the start of the Crop Year if an Insured Pasture Crop is intended to be ploughed down or sprayed out, the Insured must provide AFSC with prior notification to obtain release. If the released Pasture acres are subsequently seeded to an elected annual crop, then these acres can be transferred to an Annual Crop Contract, subject to the terms and conditions of the Contract of Insurance for Annual Crops. If the released acres are not seeded to an elected annual crop, AFSC will continue to view the released acres as insured with Premium and Coverage remaining in force and deem the potential Indemnity to be [Dollar Coverage x Payment Rate].

## **PART XXX: PASTURE SPOT LOSS FIRE BENEFIT**

AFSC will indemnify the Insured against Spot Loss damage caused by accidental fire or by fire caused by lightning to pastures, subject to the following terms and conditions:

### **A. Definitions**

In this Insuring Agreement:

1. **“Eligible Fires”** means:
  - a. accidental fire; or
  - b. fire caused by lightning.
2. **“Insurable Crop”** means pastures insured under Parts XXVIII (Moisture Deficiency Insuring Agreement), or XXIX (Satellite Yield Insuring Agreement).
3. **“Spot Loss”** means Indemnity is paid on the actual area of the Insurable Crop that had an incidence of accidental fire or fire caused by lightning.

### **B. Conditions**

1. **Period of Insurance**

The Pasture Spot Loss Fire Benefit shall apply to Eligible Fires occurring between March 1 of the commencement year of the Satellite Yield Insuring Agreement or the Moisture Deficiency Insuring Agreement and the end of the Crop Year.
2. **Minimum Acres**

A minimum of 100 acres must have been burned to qualify for compensation.
3. **Limitation of Coverage Available**

The Pasture Spot Loss Fire Benefit is available for acres insured as pasture under the Satellite Yield Insuring Agreement or the Moisture Deficiency Insuring Agreement only. In the event of a fire occurring on pasture acres in a community pasture, the burned acres will be prorated based on the acres insured by each leaseholder.
4. **Occurrence of Fire**

A fire which burns continuously for more than one day will be deemed to occur on the first day that the fire started as determined by AFSC. A fire which restarts within one week or jumps a fire break will be considered to have burned continuously.
5. **Eligibility to Insure Acres affected by Eligible Fire in Following Year**

Only unburned acres are eligible for insurance coverage under the Satellite Yield Insuring Agreement or the Moisture Deficiency Insuring Agreement in the following year.

### **C. Notice of Loss**

1. An Insured wishing to claim for a loss under this Benefit must provide to AFSC a Notice of Loss and comply with the following:
  - a. The Insured must notify AFSC on or within 14 Business Day(s) of the date that the fire occurred; and
  - b. The Insured must advise AFSC of the cause of the fire; and
  - c. The Insured must advise AFSC of the legal land description and acres damaged by the fire.
2. If the Insured is late in filing a Notice of Loss AFSC may reject the claim.

### **D. Indemnities**

1. Per acre coverage is limited to a maximum of 200 percent less 20 percent deductible of the base coverage provided for under the Satellite Yield Insuring Agreement or the Moisture Deficiency Insuring Agreement in effect for the acres burned.

2. AFSC will not indemnify Insureds for losses caused by Eligible Fires under this Insuring Agreement in cases where losses are recoverable from other insurance sources or through legal remedy.
3. Payments under this agreement are subject to a ten percent deductible.

Payments will be determined in accordance with the following Schedule of Compensation Rate Table:

Date of Fire Occurrence in Insuring Year	Loss Expressed as Percent of Dollar Coverage per Acre on Eligible Burned Land – ten percent Deductible will apply	
	Indemnity for Loss Due to Fire in Year of Insurance	Indemnity for Loss Incurred for Year Following Fire
March – August	100% less Insurance Payments* (min=0)	100%
September	90% less Insurance Payments* (min=0)	100%
October	80% less Insurance Payments* (min=0)	100%
November	70% less Insurance Payments* (min=0)	100%
December	60% less Insurance Payments* (min=0)	100%
January	50% less Insurance Payments* (min=0)	100%
February	50% less Insurance Payments* (min=0)	100%

\*Insurance Payments means Indemnity Payments made under the Satellite Yield Insuring Agreement or the Moisture Deficiency Insuring Agreement applying only to the acres burnt in an eligible fire.

IN WITNESS WHEREOF  
AFSC has signed this Contract.

**AGRICULTURE FINANCIAL SERVICES CORPORATION**



Per:  
Darryl Kay, Chief Executive Officer