Canada-Alberta AgriInsurance Products

for 2021 Annual Crops

Program Information for Annual Crops

CANADIAN AGRICULTURAL PARTNERSHIP

Unique Financial Services
AFSC
INSURANCE • LENDING • INCOME STABILIZATION

Alberta Government

Canada

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

Through the suite of options available, AFSC brings producers peace of mind by helping make risk-management decisions that fit the unique needs of each operation. Insurance is available to any producer who meets AFSC eligibility requirements. Applicants are required to provide legal, operational and financial information.

Federal and provincial governments support AgriInsurance programs by paying all administration expenses and sharing premium costs with clients. The client's premium is calculated by multiplying the dollar coverage by the client's share of the premium rate and applying any applicable premium adjustments.

Protecting your privacy

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

Reporting fraudulent activity

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

Some examples of fraudulent activities are:

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

If you suspect fraud, waste or abuse of AFSC programs, including insurance, income stabilization or lending, please contact AFSC and ask to speak with the Audit Services and Investigations Department. Reports of fraudulent activity can be made anonymously at 1.877.685.9317 or by visiting clearviewconnects.com.

Principles of crop insurance

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

Contents

GENERAL INFORMATION

Eligibility

Insurance is available to any producer who meets AFSC eligibility requirements including having an insurable interest or ownership in the land and the crops being grown. Insurance applicants are required to provide legal, operational and financial information. If you are interested in insuring your crops and would like to know if you are eligible, please contact an AFSC branch.

Renewal

Clients who purchased insurance in the previous year will be automatically renewed based upon the previous year's information. Personalized renewal notices are available at the start of the year. It is the client's responsibility to review the information. If changes are required, clients must complete a Change Request form. Change requests must be filed by April 30 and can be made via AFSC Connect or by returning a paper form to an AFSC insurance representative by mail, fax, email, or in person. If you plan to return the form in person to a branch office, please call ahead as appointments may be required due to the COVID-19 pandemic. Changes can also be requested by phone.

Cancellation

Insurance is continuous and remains in effect from year to year unless cancelled in writing or on a Change Request form by the client by April 30. If the contract is cancelled and the client applies again for insurance, the previous yield and loss experience will apply.

New clients

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

Assignments

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

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

Deferrals

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

Interest policy

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

Outstanding accounts

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

Insurance claims paying for other programs

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

Agriculture can be unpredictable. That's why Agriculture Financial Services Corporation (AFSC) provides a suite of annual crop insurance programs to safeguard against production loss.

These programs provide:

- protection for producers from financial losses due to circumstances beyond their control.
- coverage for many types of operations including commercial, organic, pedigree seed and specialty cropping.

Contract of Insurance

The Contract of Insurance governing the AFSC programs outlined in this booklet can be found by visiting AFSC.ca, or a copy may be requested from your AFSC branch office.

Working in agriculture requires the ability to withstand unpredictable events. To protect producers from designated perils that lead to production loss, Agriculture Financial Services Corporation (AFSC) provides a suite of insurance programs.

These programs provide:

- protection for producers from financial losses due to circumstances beyond their control
- coverage for many types of operations including commercial, organic, pedigreed seed and specialty cropping.

What's new for 2021

Alberta Premium Reduction

Insured clients will receive a 20 per cent reduction in crop insurance premiums for the 2021 crop year. The reduction in premiums is possible because of a healthy crop fund reserve. This fund protects against any future insurance payments, and is now at a point where it can help support discounted premiums, without posing significant risk to the overall program.

Discontinuation of Spring Price Endorsement

The Spring Price Endorsement is being discontinued, a move which will help support long-term program sustainability. Historically, SPE has had a low rate of participation. Recent enhancements to the program did not result in increased participation, example, over the past four years, only nine per cent of insured clients used this option).

Field Pea Coverage Split

Field Peas have now been split into two categories offering separate pricing and yield coverage for Yellow Peas and Green/Other Peas (e.g. maple, forage). Existing yield history will be used to offer coverage initially, and going forward the different categories will earn their own yield history for individual coverage.

Corn Silage Values

The additional coverage that corn silage receives under the silage greenfeed program has increased from $50/acre to $85/acre.

Reseeding Benefit changes

Acres that are reported by a client as intended for reseeding must be confirmed by AFSC as being taken out of production by June 20. Clients are required to notify AFSC prior to taking the crop out of production, and again once the originally seeded crop has been ploughed under or sprayed out no later than June 20 so an adjuster can attend the farm to confirm.

The benefit values for reseeding have been reviewed and updated. Major crops have been increased an average of $3 to $5 per acre, while some specialty crops have seen significant increases. See Program Specifics Table on pages 24 to 27.

Unseeded Acreage Benefit changes

The benefit values for acres left unseeded due to excessive moisture have been reviewed and updated to reflect current costs covered by the benefit. An increase between $8.00 to $28.00 per acre, has been implemented. See Program Specifics Table on pages 24 to 27.

Honey Insurance Deadlines

To align with industry reporting deadlines, the Honey Insurance deadline is moving from May 31 to June 30 for clients to file their Report of Producing Hives and Report of Hive Yard Locations.

Bee Overwintering Deadlines and Coverage

Bee Overwintering Insurance also has a change to the deadline for the application and election deadline. Formerly June 20, it will now be June 30 for clients to apply for or make changes to their elected coverage options. To reflect industry management of hives, single brood hives are now eligible for coverage under Bee Overwintering Insurance.

Wildlife Damage Compensation Program

In a move which will help support long-term program sustainability, the 20 per cent top-up for payments on claims is being removed. Currently the federal and provincial government share cost for the program up to 80 per cent, and the Alberta government has been providing the 20 per cent top up to 100 per cent. The process to determine wildlife damage remains the same; for example, if a producer received $250 in wildlife damage compensation last year, this year they will receive $200.

Fall Market Prices

Sourcing for fall prices on Oats and Green/Other Peas have changed this year. Please visit the Market Price Methodology chart on pages 28 to 29 for further details.

Weather stations

There are four new weather stations being added to the network of weather stations across Alberta, and two weather stations, Peace River and Hillsdown, were replaced. Since weather station information may be subject to change, visit www.afsc.ca or contact your AFSC branch for a current list of weather stations.

What was new in 2020

Selected crops that were formerly offered coverage under the New Crop Insurance Initiative program are now eligible for coverage under Crop Insurance. Clients can insure commercial, pedigreed or organic dryland Hemp, commercial and pedigreed irrigated soybeans, as well as table and seed creamer potatoes under irrigated or on dryland acres. Reference the Insuring Agreements for specific eligibility requirements.

Water Allocation Restriction Benefit introduced

The Water Allocation Restriction Benefit supports clients who have their water allocation restricted by the provider during a crop year. This Benefit allows them to maintain their irrigation coverage provided a minimum of 50 per cent of the restricted water allocation is applied to insured fields.

Expansion of Risk Area boundaries

With more land being brought into production in the northern area of Alberta, the eligible land base for Risk Area 22 has been expanded to include additional townships. Risk Area information can be found in the Maps for Annual Crops resource on AFSC.ca

Organic crops price enhancement

AFSC and Organic Alberta have been working together for the past year to come up with improvements for determining organic spring insurance prices used for coverage. Prices from Organicbiz.ca will now be used in most cases to create the premium to conventional factor on an annual basis. If no recent price history is available from the Organicbiz.ca source, AFSC may use alternative sources to create a spring insurance price. The result will be a more annually relevant reflection of markets AFSC organic clients participate in.

Additional crops for New Crop Insurance Initiative

Intercropping intended for harvest will be insurable under the following three intercropping categories. The categories are based on the mixture of the crop types grown and include:

- Intercrop – Cereal/Oilseed
- Intercrop – Cereal/Pulse
- Intercrop – Pulse/Oilseed

Annual crops grown outside of their restricted area (e.g. chickpeas, durum wheat, mustard, etc.) are insurable under New Crop Insurance Initiative. Clients who insure the same crop within the restricted area under Crop Insurance, and outside under New Crop Insurance Initiative, will be required to store, report, and sell their production separately.

Weather stations

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

Wildlife Damage Compensation Program

There have been changes made to the Wildlife Damage Compensation Program. This information is available on the Wildlife Damage Compensation Program page.

AFSC online services

AFSC offers several services via online functionality through AFSC Connect.

Deadlines

April 30

Apply for annual crop insurance.

Make changes to elected options from the previous year including:

- Coverage level;
- Endorsement selection;
- Declared acres for the Unseeded Acreage Benefit – include acres that are insured, uninsured, seeded, intended for seeding to annual crops, silage, and greenfeed;
- Auto-election of Straight Hail insurance.

File Land Report for fall sown crops, spring crops seeded in the fall and fescue, timothy and alfalfa grown for seed.

Cancel annual crop insurance.

Prior to May 15

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

June 1

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

June 20

File annual crop Land Reports without penalty.

All acres intended for reseeding must be taken out of production and the work confirmed by AFSC.

Report acres that remain unseeded due to excessive moisture.

June 25

File annual crop Land Report with late filing fee. Failure to file by this deadline results in breach of contract and clients being unable to participate in any AFSC insurance programs for current and following year.

Exceptions:

- Livestock Price Insurance can be purchased in the current year.
- Straight Hail Insurance can be purchased in the following year.

A two per cent early payment discount is applied to premium payments received by AFSC the later of June 25 or within 15 days of each version's billing date.

June 30

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

Apply, make changes or cancel Bee Overwintering Insurance.

July 18

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

September 1

Interest begins accruing on unpaid premium.

Last day to file Report of Bees Overwintered and Hive Yard Locations.

September 15

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

October 30

File Honey Harvested Production Report (HPR).

Prior to November 1

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

November 15

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

December 31

Clients to pay their 2021 account without negatively affecting their credit and to avoid a cash-up-front on premium for the 2022 insurance year. Clients should contact their branch to make payment arrangements.

File Crop or Honey Harvested Production Report (HPR) with late filing fee. Failure to file an HPR by this deadline will result in a yield recorded as zero and no indemnity will be calculated.

Production Insurance

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

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

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

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

What can be insured

A full list of crops that are insurable are listed under individual Insuring Agreements located in the Contract of Insurance on AFSC.ca. These crops, including the processing vegetable crops, and the Honey and Bee Overwintering Insurance programs are also listed in the Program Specifics Tables on pages 24 to 27.

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

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

Minimum acres: Most insurable crops do not have a minimum number of acres required to be insured, and all seeded acres of elected crops must be insured. Rather, there is a minimum $25 of total premium per insurance subscription. The minimum acreage requirements for insurable crops are listed in the Program Specifics Tables on pages 24 to 27.

Eligibility Areas: Some crops are only insurable in specific risk areas across the province. The eligible risk areas for the following crops are based on the Crop Risk Area Maps, which can be viewed on AFSC.ca

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

** Irrigation only*

Risk Area restrictions for additional crops, processing vegetables crops, specialty crops, Honey Insurance and Bee Overwintering Insurance can be found in the Production Insurance Program Specifics by Crop table on pages 24 to 27. Additional risk area information can also be found in the Maps for Annual Crops resource on AFSC.ca

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

Risk Area restrictions for additional crops, processing vegetables crops, specialty crops, Honey Insurance and Bee Overwintering Insurance can be found in the Production Insurance Program Specific by Crop table on pages 23 to 26.

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

If the following crops are seeded later than the recommended seeding dates, restrictions for grade-loss coverage may apply. The recommended seeding dates for all crops, are listed in the Program Specifics Tables on pages 24 to 27.

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

Coverage

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

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

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

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

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

Hybrid canola is only insurable when managed as an irrigated crop. Other crops that are insurable only when managed as an irrigated crop are listed in the Program Specifics Tables on pages 24 to 27.

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

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

Rules for yield records used:

Individual coverage will use:

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

Yield records older than 25 years will not be used.

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

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

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

Any losses in production due to uninsured causes will be included in a loss calculation; however, they are not included in the calculation of coverage and premium for the following years.

AFSC may limit, restrict, exclude or deny coverage in whole or in part for the following:

- in the event AFSC determines by the application deadline that there is a high risk of production loss,
- the land is subject to repeated flooding or where excess moisture is a recurring problem,
- major changes are made in management practices, acreage, land location, confirmed yields or experience,
- the client makes a change that increases AFSC's risk without notifying AFSC and without AFSC accepting the that risk, or
- any other practice or action that would prove detrimental or limit production to the insured crop.

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

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

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

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

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

Year	Individual Long Term Ave. Yield	Actual Yield	Cushioned Yield	Trended Yield
1	42	42	42	45.1
2	41	37	37	39.3
3	40	20	28	29.4
4	40	43	43	44.6
5	38	48	48	49.2
Average		38	39.6	41.5

Bushels are used for example purposes. Actual coverage is calculated in kilograms. For 2021 coverage will be based on the trended yield of 41.5 bushels per acre.

One-year lag: Actual yields are not available immediately for use as it takes time to gather and verify information. For example, a yield produced and reported in 2020 will not be available to calculate coverage for 2021; it will first be used to set coverage for 2022.

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

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

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

Additional insurance available: AFSC offers two products for hail damage.

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

Hail Endorsement offers spot-loss coverage for damage due to hail, accidental fire and fire caused by lightning. When this option is purchased and the insured crop suffers a loss of 10 per cent or more, the client is eligible for a payment based on the percentage of loss on the damaged acres. More information is on page 50.

Price options

In the spring, AFSC forecasts expected crop prices for the coming crop year. In the fall, AFSC reviews the pricing using specific methodologies (listed on page 28 and 29) to determine whether the crop's fall market price is substantially lower or higher than the spring insurance price and sets fall prices accordingly.

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

All insurable crops that are eligible for the Variable Price Benefit are listed in the Program Specifics Tables on pages 24 to 27.

Premium

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

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

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

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

Causes of loss

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

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

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

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

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

Common examples where uninsured causes of loss may be applied include, but are not limited to:

- unapproved, untimely or improperly applied products or methods for the:
  - control of weeds,
  - control of insects,
  - control of plant diseases,
  - enhancement of plant development;
- inadequate machinery, labour or failure to complete repairs to equipment on a timely basis;
- machinery and equipment failure due to mechanical defects or improper operations;
- damage to an insured crop from fertilizers, herbicides, pesticides, fungicides, soil or crop additives or any other product where the damage was caused by drift, residue, improper direct application or improper use of product;
- untimely harvest practices for the area and the crop;
- improper harvest management;
- damage by domestic animals or poultry;
- neglect or theft of the insured crop;
- negligent or wrongful acts of a third party (e.g. spray drift or stray animals);
- damage after an inspection by AFSC or while in storage, including heating;
- grade reduction before an inspection by AFSC if stored production is not weather protected; or
- any designated peril deemed avoidable by AFSC.

Indemnity

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

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

Liability (dollar coverage) calculation:

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

- 35 bushels x $10 = $350 per acre

Assume: 22 bushels per acre of 1CAN canola harvested

Indemnity calculation (at designated grade):

Losses would be determined as:

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

Indemnity calculation when VPB triggers (at designated grade):

- Canola fall market price is $12 per bushel according to the Fall Market Price Methodology described in the table on pages 28 to 29
- The fall market price increased by 20 per cent from $10 to $12; the shortfall is paid at the fall market price
- 13 bushels x $12 per bushel = $156 per acre indemnity

Indemnity calculation (below designated grade):

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

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

Indemnity calculation when VPB triggers (below designated grade):

- Canola fall market price is $12 per bushel according to the Fall Market Price Methodology described in the table on pages 28 and 29
- The fall market price increased by 20 per cent from $10 to $12; the shortfall is paid at the fall market price
- 17 bushels x $12 per bushel = $204 per acre indemnity

Inspections

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

- Reseeding Benefit
- Unseeded Acreage Benefit
- Hail damage claims
- Preharvest inspections
- Harvested Production Reports
- Post Harvest claims
- Unharvested Acreage Benefit (snowed under)
- Production inspections (production reviews)
- Claim assessment disputes
- Measuring acres with a global positioning system (GPS)

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

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

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

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

There is no limit to the number of reseeding claims that can be submitted on the same land. However, AFSC will only pay on land that has been released for reseeding and confirmed by AFSC that the work was done no later than June 20.

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

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

- The land to be reseeded was seeded to an insured crop and is damaged by an insured peril;
- AFSC must release the acreage prior to the start of the reseeding;
- AFSC must confirm the work was completed no later than June 20.

Clients may not be required to reseed the acres to be eligible for the Reseeding Benefit, subject to inspection and confirmation that acres were put to another use. Examples are when AFSC determines it is impractical to reseed the crop prior to the seeding deadline, or when the acres are deemed too wet to seed.

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

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

Annual Cereals & Oilseeds Crop	$ per acre
Hybrid Canola	$22
Flax, Mustard (Brown, Oriental)	$27
Barley, Canary Seed, Mixed Grain, Mustard (Yellow), Oats, Rye (Fall & Spring), Triticale (Spring & Winter), all Wheat categories	$31
Hemp Grain	$60
Canola (Argentine and Polish)	$68

Reseeded Acreage Benefit values, and minimum acreage requirements for all insurable crops are listed in the Program Specifics Tables on pages 24 to 27.

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

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

Basic eligibility criteria: To qualify for this benefit, clients must have an active production insurance contract and acres must be unseeded as of June 20 due to excess moisture. The total number of acres intended to be seeded must have been declared by April 30.

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

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

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

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

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

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

- **Level 1:** Dryland $57 per acre - compensates for direct costs (rent, land taxes and interest), land preparation (cultivation, harrowing, herbicide application and chemical fallow) and following year land maintenance;
- **Level 2:** Dryland $127 per acre - compensates for Level 1 costs plus pre-plant incorporation of fertilizers (confirmation receipts may be required);
- **Level 3:** Irrigated $125 per acre - compensates for direct costs (rent, land taxes and interest), land preparation, (cultivation, harrowing, herbicide application and chemical fallow), irrigation water rights and following year land maintenance;
- **Level 4:** Irrigated $207 per acre - compensates for Level 3 costs plus pre-plant incorporation of fertilizers (confirmation receipts may be required).

Benefits are capped at the lesser of $127 per acre for dryland and $207 per acre for irrigated acres, or 50 per cent coverage for the client's predominant dryland and irrigated crops.

Note: Payments under the Unseeded Acreage Benefit can impact premium adjustments under the basic production insurance policy. For information on determining production in storage, refer to the Determining Production in Storage resource on AFSC.ca

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

Clients who purchase Hail Endorsement or Straight Hail Insurance, including Auto-Elect Straight Hail, must report a loss online through AFSC Connect or contact an AFSC branch office within 14 days after the day the crop was damaged by hail or fire. Clients may submit a hail claim by logging into their AFSC Connect account or contacting their branch office.

Clients are to check insured fields to identify the damaged areas prior to filing a hail claim and are expected to take the adjuster to damaged fields when the damage assessment is completed. When the initial assessment is less than 10 per cent and clients request a re-inspection, clients may be charged an hourly rate plus mileage.

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

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

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

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

Claim or assessment information: The branch must be notified five days in advance of putting a crop to a use other than harvesting.

AFSC will need to know:

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

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

On or before June 20 (Stage 1): Damaged acres may be eligible for one of the following:

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

After June 20 (Stage 2): The crop can be carried to harvest and an insurance claim filed if total harvested production is less than guaranteed coverage. Crop (either partial acres or total acres) can be put to another use and, based on the client's estimated yield; the acres may either be released from the client's branch or inspected by an AFSC adjuster to determine the yield appraisal.

Harvested Production Reports: When production insurance for annual crops is purchased, an HPR will be created based on the Statement of Coverage and Premium.

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

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

Allowance for Low Yield

When the estimated yield appraisal of a crop is extremely low, a graduated yield appraisal is applied to the impacted acres. This allowance for low yield is included with yield loss coverage for cereal, oilseed and pulse crops and will be applied to the harvested or appraised production on a field-by-field basis.

Graduated categories are determined by crop type, and the yield will be reduced to adjust for the additional cost of harvesting, increasing potential indemnities from the program.

Post Harvest claims: Post Harvest claims are triggered from information provided on the HPR.

An adjuster is assigned to the claim and will make an appointment for a field inspection. The adjuster will:

- Verify and/or measure the number of acres insured;
- Identify acres harvested; and
- Determine the quantity and quality of the crop harvested by sampling storage facilities and reviewing production sales receipts.

Samples taken by AFSC and sold production to a primary or terminal elevator and graded according to Canadian Grain Commission standards are eligible for grade adjustment. When grain is sold that is not graded according to Canadian Grain Commission standards, AFSC's designated grade will apply.

Unharvested crops: The Unharvested Acreage Benefit provides an advance payment for eligible acres on insured crops that remain unharvested after November 30 because of the onset of winter, when the client suffers a production loss. Acres will be considered eligible for the Unharvested Acreage Benefit when acres exceed 20 per cent of the insured acres for each eligible crop and production is less than coverage for that crop.

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

Claim assessment disputes: AFSC recommends that the client accompany adjusters during field inspections to understand the assessment process.

The adjuster will explain the procedures being used, request a client signature on the loss assessment documents, and will leave copies.

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

Once the second inspection is completed and there is still disagreement, an appeal may be filed by following the procedure outlined in the AFSC Contract of Insurance for Annual and Perennial Crops 2021.

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

Acreage tolerance: AFSC's acreage tolerance policy applies to fields measured by AFSC. Tolerance is the lesser of five per cent or 20 acres by crop type. For additional information, reference the Annual Crops Contract of Insurance section on Insured Acres

Client Responsibilities

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

Personalized renewal notices are available in March. Clients are responsible to review the information, complete a Change Request form online if changes are required or return the form to an AFSC insurance representative by mail, fax, email, in person or request changes by phone by April 30.

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

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

For each insured crop, clients will need to select a coverage level, end use, and endorsements and options.

Elections (Renewal Notice): Clients should ensure their Confirmation of Insurance has the correct crops, coverage levels, endorsements and declared acres.

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

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

Details for specific crops

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

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

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

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

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

Organic crops: Coverage is available to clients that are certified organic growers through the Canadian Food Inspection Agency for the current crop year. In the event that certification will be completed in the same crop year, clients are eligible for organic coverage at the start of the crop year by providing a Letter of Transmittal or suitable pre-certification documents to AFSC by April 30. To maintain organic coverage, clients would need to provide their organic certification in the fall. Clients who lose organic certification must notify AFSC within five days.

Clients cannot insure both organic and commercial crop for the same crop year. Example: Clients can insure either organic barley or commercial barley, but not both in the same year.

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

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

Fall seeded crops and perennial seed crops land report must be filed by April 30.

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

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

Failure to file a Land Report will result in all insurance being cancelled and restrictions on future year's program participation.

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

The client will also be provided with the following items:

- Report of Grain in Storage Prior to Harvest;
- Irrigation Logs (if applicable);
- Potato documents (if applicable).

Deadlines for filing Land Reports

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

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

- Legal land locations;
- Insured crop that is damaged;
- Crop intended to be reseeded;
- Number of acres to be reseeded;
- The cause of loss; and
- That the original acres have been ploughed under or sprayed out.

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

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

Unseeded Acreage Benefit: Clients should contact a branch to file their Land Report and report any

unseeded acres no later than June 20 and provide the following information:

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

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

Hail and fire damage: For damage of 10 per cent or more under either Hail Endorsement or Straight Hail Insurance, clients must report a loss online through AFSC Connect or contact an AFSC branch office within 14 days after the day the crop was damaged by hail or fire. Clients may submit a hail claim by logging into their AFSC Connect account or contacting their branch office.

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

- The legal location, crop type and number of acres effected;
- The date of the storm; and
- Estimate of percentage of damage for each crop.

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

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

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

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

Carryover Inventory: Carryover grain, including purchased inventory and uninsured crop production, stored on or off the farm must be declared to AFSC even though the intent may be to sell or feed it before harvest.

Clients may be required to provide sales receipts to identify carryover, purchased inventory and uninsured production. It is important to report carryover grain as it may affect eligibility for an advance or claim if in a loss situation. For information on determining production in storage, refer to the Determining Production in Storage resource on AFSC.ca

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

The information reported is used to:

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

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

Notification of an insurance claim and any required loss adjustment procedures are based on the information provided by clients on the HPR.

If there is a shortfall of production, contact AFSC prior to feeding any insured grain.

In the event that the harvested production is stored in such a manner that it is not possible to obtain an accurate production count (e.g. with uninsured production) AFSC may assign uninsured causes of loss up to coverage or prorate production.

AFSC may pro-rate or combine the production if clients fails to retain:

- insured production separate from uninsured production;
- insured production separate from production of another producer;
- harvested production separate from carryover inventory;
- irrigated production separate from dryland production, or
- stored production separately for each subscription where there are two or more of the same subscription type for one business.

If a client shares storage facilities, land, or equipment, and AFSC is unable to distinguish the production belonging to the client, AFSC may, in its discretion, divide any combined production in such a manner as AFSC deems appropriate.

AFSC may, in its discretion, otherwise pro-rate or combine production as it determines it is necessary.

Water Allocation Restriction Benefit for Irrigated Crops: In the event that water restrictions are applied by an irrigation district, Government of Alberta or other third party supplier, coverage will remain as irrigated providing a minimum of 50 per cent of the restricted water allocation is applied to insured fields.

- When filing their Land Report, clients need to report acres that are not intended to receive at least
- 50 per cent of their water allocation as dryland.
- Clients must report to AFSC on their Harvested Production Report which acres had the water reduction.
- If less than 50 per cent of the water allocation is applied on a per acre basis to any insured acres over the growing season, those acres will be reverted to dryland coverage.

Post Harvest advance: Clients can request a 50 per cent advance for crops reported on their HPR, when there is a potential indemnity payment. Advance indemnities must exceed $500, can be deferred and will be applied to amounts owing to AFSC and assignments. Once the post harvest claim is finalized, any advance overpayments must be repaid within 30 days of notification.

Preliminary payment: Clients can request a preliminary payment any time before their post harvest inspection is completed. A Preliminary Payment takes the client's new production without grade loss and adds 20 per cent to it to mitigate the risk of overpayments. AFSC calculates the difference between that estimated production and their coverage, then pays the indemnity based on that estimated production loss. Once the post harvest claim is finalized, AFSC recalculates the loss without the 20 per cent increase in production and pays the remaining amount owed including any grade loss.

Unharvested advance: Clients need to contact their branch on or before the deadline of November 15 to file HPRs and to identify acres that remain unharvested (snowed under) due to weather. When there are greater than 20 percent of acres by crop, and the harvested production is less than coverage, the client may be eligible for an Unharvested Acreage Benefit.

Other responsibilities: For irrigated crop acres, clients are required to maintain an Irrigation Log showing the dates of precipitation and approximate amount of water applied.

Unlicensed and deregistered varieties must be stored separately and do not qualify for grade loss adjustments.

Potato documents must be completed as requested, if applicable.

Clients should maintain a record of grain sales as they occur. AFSC adjusters will determine the quality and quantity of the crop by sampling storage facilities and reviewing production sales receipts.

Honey Insurance

This program provides coverage for hives managed for the sole purpose of honey production. Indemnities are calculated when there is a loss of production resulting from naturally occurring perils. Clients must be registered, operate under, and meet the requirements of the Bee Act of Alberta.

Coverage

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

All honey producing hives must be insured and there is a minimum eligibility requirement of 100 hives.

Hives that are overwintered outside of Alberta must be back in the province by June 30 and reported on the Hive Yard Location form supplied by AFSC the same date.

Individual coverage information: A client's average yield for honey is based on the average of the yield records AFSC has recorded for honey. Yield records are gathered in different ways, including:

- From Harvested Production Reports (HPRs) provided by the clients;
- Yield information gathered by AFSC adjusters who visit the farm in claim situations;

Individual coverage will use:

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

Inspections

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

Client responsibilities

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

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

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

Special considerations for Honey Insurance: To be eligible, clients must:

- Be registered and operate under the regulations of the Bee Act in Alberta;
- Ensure hives that are transported away from the primary location are returned on or before June 30 and reported on the Hive Yard Location form supplied by AFSC;
- Insure all honey producing hives and must have a 100 hive minimum to insure; and
- Follow the industry best management practices.

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

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

All Honey Insurance clients are required to complete and file the Report of Producing Hives, and the Hive Yard Location form on or before June 30. Failure to file these forms will result in all insurance being cancelled and restrictions on future year's program participation.

Hives overwintered outside the province of Alberta must be back in the province by June 30.

Clients are required to report all of their hives to the Provincial Apiculturist and AFSC on or before

June 30. AFSC requires a copy of the Application and Certificate of Registration.

Clients are required to file their Harvested Production Report (HPR) on or before October 30. Failure to file an HPR by December 31 will result in a yield recorded as zero and no indemnity will be calculated.

Bee Overwintering Insurance

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

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

Coverage

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

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

Number of Insurable Hives x Survival Rate x 90 per cent coverage level x dollar coverage per hive

Risk Areas 1, 2, 3 = number of insured hives x 80 per cent x 90 per cent coverage level x high or low dollar coverage

Risk Area 4 = number of insured hives x 70 per cent x 90 per cent coverage level x high or low dollar coverage

Schedule of coverage

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

Coverage example

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

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

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

Insurable hives are determined by AFSC's Claims Adjusting Services during the fall inspection based on the following criteria:

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

The methodology used to determine a good frame is established by AFSC and implemented by Claims Adjusting Services.

Coverage will be excluded for:

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

Causes of loss

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

- Weather conditions including, but not limited to: snow, excessive cold, excessive moisture, frost, flood, temperature fluctuations
- Diseases or pests deemed to have no effective or adequate means of control
- Any other peril designed by AFSC from time to time where the peril results in high death loss to overwintered bees

Indemnity

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

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

Indemnity example

For the same beekeeper as above, the adjuster determines during the spring inspection that there are 300 strong hives, 260 weak hives, and 440 dead hives.

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

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

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

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

The indemnity award calculation is as follows:
= [(Insurable Hives x Individual Survival Rate x 90 per cent coverage level) - surviving hives] x dollar coverage
= (1000 x 0.83 x 0.90) - 387 = 360 (if negative, no indemnity is paid)
= 360 x $175 = $63,000

Client Responsibilities – Bee Overwintering

Renewals: Clients who purchased Bee Overwintering Insurance in the previous year will be automatically renewed based upon the previous year's information. Personalized renewal notices are available in May.

Clients are responsible to review the information, complete the Change Request form if changes are required, and return the form to an AFSC insurance representative by mail, fax, email, in person or request changes by phone by June 30.

Cancellations: Bee Overwintering Insurance is continuous and remains in effect from year to year unless canceled in writing or on a Change Request form by the client on or before June 30.

New clients: New clients must apply for Bee Overwintering Insurance on or before June 30 and AFSC will evaluate eligibility for insurance. Clients will need to elect one of two price options and, based on the risk area, a survival rate will be applied. At this time, clients also report the number of hives they intend to overwinter in Alberta.

Special considerations for Bee Overwintering Insurance: To be eligible, clients must:

- Be registered and operate under the regulations of the Bee Act in Alberta;
- Insure all hives overwintered in Alberta;
- Have a minimum of 100 insurable hives;
- Provide a Treatment Log to the Adjuster during the unwrapping inspection; and
- Follow the industry best management practices.

Deadlines: Clients must apply, elect options, or cancel by June 30.

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

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

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

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

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

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

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

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

Eligible Crops and options	Coverage Levels: 50%, 60%, 70%, 80%	Designated Grade	Minimum Acres to Insure	End Uses - Commercial (C), Pedigreed (P), Specialty Oil (SO), Industrial (I), Malt (M), Organic (O), High Protein (HP)	Dryland Fallow & Stubble	Insurable under Irrigation	Variable Price Benefit (VPB)	Unseeded Acreage Benefit	Reseeding Benefit (Excluded at 50% Coverage) Minimum 10 acre blocks Does not apply to crops with an asterisk *	Unharvested (Snowed Under)	Hail Endorsement (HE) (Excluded at 50% coverage)	Risk Area (RA) Restrictions	Seeding Deadline (Specified in the Contract)	Recommended Seeding Date Crops seeded past this date may not be eligible for grade loss	Unit that crops are normally reported (bushels, lbs, or tons)
Barley/Malt Barley	✓	1CW		C P M O	✓	✓	✓	✓	31	✓	✓			June 5	bus
Camelina	50-70	n/a		C	✓			✓		✓	✓		May 31		lbs
Canary Seed	50-70	n/a	10	C P	✓		✓	✓	31	✓	✓			May 31	lbs
Canola - Argentine	✓	1 CAN		C P SO O	✓	✓	✓	✓	68	✓	✓			May 31	bus
Canola - Polish	✓	1 CAN		C P O	✓	✓	✓	✓	68	✓	✓			May 31	bus
Hybrid Canola	✓	Cert 1	5	P		✓		✓	22*	✓	✓	Insure in RA 2, 3, 4, 5 & 9		May 31	lbs
Flax	✓	1CW		C P O	✓	✓	✓	✓	27	✓	✓			May 31	bus
Hemp	✓	n/a		C P O	✓	✓		✓	60	✓	✓	For Irr. see Hemp Area Map	June 20		lbs
Mixed Grain	✓	Average		C	✓	✓	✓	✓	31	✓	✓			May 31	bus
Mustard Brown	✓	1 CAN		C P	✓	✓	✓	✓	27	✓	✓	See Mustard Area Map		May 31	bus
Mustard Oriental	✓	1 CAN		C P	✓	✓	✓	✓	27	✓	✓	See Mustard Area Map		May 31	bus
Mustard Yellow	✓	1 CAN		C P	✓	✓	✓	✓	31	✓	✓	See Mustard Area Map		May 31	bus
Oats	✓	3 CW		C P O	✓	✓	✓	✓	31	✓	✓			May 31	bus
Rye - Fall	✓	2CW		C P O	✓	✓	✓	✓	31	✓	✓			N of Bow Sept 20 S of Bow Sept 30	bus
Rye - Spring	✓	2CW		C P O	✓	✓	✓	✓	31	✓	✓			June 5	bus
Triticale - Winter	✓	2 CAN		C P O	✓	✓	✓	✓	31	✓	✓			N of Bow Sept 20 S of Bow Sept 30	bus
Triticale - Spring	✓	2 CAN		C P O	✓	✓	✓	✓	31	✓	✓			June 5	bus
Wheat - CPS	✓	2 CPS		C P O	✓	✓	✓	✓	31	✓	✓			May 31	bus
Wheat - Durum	✓	2 CWAD		C P O HP	✓	✓	✓	✓	31	✓	✓	See Durum Area Map		May 31	bus
Wheat - Extra Strong	✓	2 CWES		C P O	✓	✓	✓	✓	31	✓	✓			May 31	bus
Wheat - HR Spring	✓	2 CWRS		C P O HP	✓	✓	✓	✓	31	✓	✓			May 31	bus
Wheat - HR Winter	✓	2 CWRW		C P O	✓	✓	✓	✓	31	✓	✓			N of Bow Sept 20 S of Bow Sept 30	bus
Wheat - Canada Northern Hard Red	✓	2 CNHR		C P O	✓	✓	✓	✓	31	✓	✓			May 31	bus
Wheat - Western Special Purpose	✓	1 CWSP		C P O	✓	✓	✓	✓	31	✓	✓			May 31	bus
Wheat - SW Spring	✓	2 CWSWS		C P O	✓	✓	✓	✓	31	✓	✓	See SW Wheat Area Map		May 31	bus
Wheat - SW Spring	✓	3 CWSWS		I	✓	✓	✓	✓	31	✓	✓	See SW Wheat Area Map		May 31	bus

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

Eligible Crops and options	Coverage Levels: 50%, 60%, 70%, 80%, *90% (*sugar beets only)	Designated Grade	Minimum Acres to Insure	End Uses - Commercial (C), Pedigreed (P), Organic (O)	Dryland Fallow & Stubble	Insurable under Irrigation	Variable Price Benefit (VPB)	Unseeded Acreage Benefit	Reseeding Benefit (Excluded at 50% Coverage) Minimum 5 acre blocks. Does not apply to crops with an asterisk *	Unharvested (Snowed under)	Hail Endorsement (HE) (Excluded at 50% coverage)	Insurable Risk Area (RA) Restrictions All maps displaying eligible insuring areas are located on afsc.ca	Seeding Deadline (Specified in the Contract)	Recommended Seeding Date Crops seeded past this date may not be eligible for quality loss	Unit that crops are normally reported (bushels, lbs, or tons)
Dry Beans Black/Other	✓	1 CAN	5	C P		✓	✓	✓	72	✓	✓	Insure in RA 2, 3, 4, 9	June 10		lbs
Dry Beans Gr Northern	✓	1 CAN	5	C P		✓	✓	✓	72	✓	✓	Insure in RA 2, 3, 4, 9	June 10		lbs
Dry Beans Pink	✓	1 CAN	5	C P		✓	✓	✓	72	✓	✓	Insure in RA 2, 3, 4, 9	June 10		lbs
Dry Beans Pinto	✓	1 CAN	5	C P		✓	✓	✓	72	✓	✓	Insure in RA 2, 3, 4, 9	June 10		lbs
Dry Beans Small Red	✓	1 CAN	5	C P		✓	✓	✓	72	✓	✓	Insure in RA 2, 3, 4, 9	June 10		lbs
Dry Beans Yellow	✓	1 CAN	5	C P		✓	✓	✓	72	✓	✓	Insure in RA 2, 3, 4, 9	June 10		lbs
Chickpeas Desi	✓	2 CW	5	C P	✓	✓	✓	✓	55	✓	✓	See Chickpea Area Map	May 25		lbs
Chickpeas Kabuli	✓	2 CW	5	C P	✓	✓	✓	✓	92	✓	✓	See Chickpea Area Map	May 25		lbs
Corn (grain)	✓	2 CW	5	C		✓	✓	✓		✓	✓	See Corn Area Map	May 15		bus
Faba Beans	✓	3 CAN	5	C P	✓	✓	✓	✓	50	✓	✓	RA 3, 4 must irrigate	May 25		lbs
Lentils Green	✓	2 CAN	5	C P	✓	✓	✓	✓	58	✓	✓		May 25		lbs
Lentils Red	✓	2 CAN	5	C P	✓	✓	✓	✓	58	✓	✓		May 25		lbs
Potatoes - Seed Fry/Chip/Table/Creamer	✓	Seed-Certified T- 2CAN F/Ch/Cr n/a	5		✓	✓		✓		✓	✓	RA 2, 3, 4 must irrigate	June 10		tons
Potatoes - Fry Late Russet Burbank	✓		5			✓		✓		✓	✓	Insure in RA 2, 3, 4	June 10		tons
Peas Green/Other	✓	2 CAN	5	C P O	✓	✓	✓	✓	52 Com 68 Ped	✓	✓		June 1		bus
Peas Yellow	✓	2 CAN	5	CPO	✓	✓	✓	✓	52 Com 68 Ped	✓	✓		June 1		bus
Safflower	✓	Average	5	C	✓	✓	✓	✓	31	✓	✓	See Safflower Area Map	May 15		lbs
Soybeans	✓		5	C P		✓		✓	68	✓	✓	Insure in RA 2, 3, 4, 5	June 10		bus
Sunflowers - Confection	✓	Average	5	C	✓	✓	✓	✓	50 Dry 60 Irr	✓	✓	Insure in RA 2, 3, 4	May 20		lbs
Sunflowers - Oil	✓	1 CAN	5	C	✓	✓	✓	✓	42 Dry 50 Irr	✓	✓	Insure in RA 2, 3, 4	May 20		lbs
Sugar Beets	50-90		5	C		✓		✓	95	✓	✓	Insure in RA 2, 3, 4	June 7		tons
Ped Alfalfa (for seed)	✓	Cert 2	20	P	✓	✓					✓			See Contract	lbs
Creeping Red Fescue (for seed)	✓	Common 2 Cert 2	20	C P	✓						✓	RA 17-22 insurable		See Contract	lbs
Ped Timothy (for seed)	✓	Cert 2	20	P	✓						✓	RA 6-22 insurable		See Contract	lbs

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

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

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

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

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

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

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

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

Market Price Methodology to Calculate Fall Prices for Insured Crops*

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

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

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

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

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

New Crop Insurance Initiative

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

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

What can be insured

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

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

Insurable crops: The insurable crops under NCII include crops that AFSC does not currently offer production 'type' insurance coverage.

Current insurable crops under Crop Insurance that are grown under an organic production system are not insurable under this innovative crop coverage option.

For the purposes of NCII Intercropping is defined as two annual seeded crops planted together with the intent to harvest both crops in the fall. There will be three intercropping categories based on the mixture of the crop types grown. The categories will be:

- Intercrop – Cereal/Oilseed
- Intercrop – Cereal/Pulse
- Intercrop – Pulse/Oilseed

Annual crops that have risk area restrictions (e.g. chickpeas, durum wheat, mustards, safflower, soft white spring wheat) under the crop insurance contract, can insure acres of the specific crop being grown outside of the restricted area under NCII. In situations where there are insured acres of the same crop both within and outside the restricted risk area, clients will have to follow all the standard rules regarding keeping production separate etc.

Insurable perennial seed crops are not insurable in the year of establishment.

There may be limited information available for some of the crops that clients will want to insure. This

may result in AFSC requiring considerable time to determine an estimate for coverage and premium. To maximize the possibility of providing insurance, clients are urged to request an estimate on a crop as soon as the decision to grow a crop has been made. This will allow AFSC adequate time to calculate coverage and premium. The insurance application deadline is April 30. The request for an estimate does not commit a client to take insurance, it simply provides AFSC with the necessary time to determine coverage and premium.

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

Eligibility areas: The eligible areas will be determined on a crop-by-crop basis. AFSC reserves the right to not offer insurance coverage on crops that are not considered to have a reasonable chance of harvest.

The viability criteria will be based on agronomic criteria such as days to maturity, etc.

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

Coverage

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

Initially, the coverage will be based on selected direct cost of production (CoP) associated with seedbed preparation, seeding, spraying, harvesting and a land opportunity cost factor. The specific costs are:

- Fertilizer, pesticide, herbicide;
- Seed and seed treatment;
- Fuel and oil;
- Utility and water cost associated with irrigation; and
- Land utilization cost.

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

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

Individual coverage information: A client's coverage will be updated based on the average of the yield records AFSC has recorded for that crop. Yield records for the New Crop Insurance Initiative will be gathered from the NCII Harvested Production Reports (HPR) provided by the client.

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

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

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

Cushioning and trending: Low yields will not be cushioned and yields will not be trended.

One-year lag: Actual yields are not available immediately for use as it takes time to gather and verify information. For example, a yield produced and reported in 2020 will not be available to calculate coverage for 2021; it will be used first to set coverage for 2022.

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

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

Hail Endorsement: Hail Endorsement offers spot-loss coverage for damage due to hail, accidental fire and fire caused by lightning. When this option is elected and the insured crop suffers a loss of 10 per cent or more, the client is eligible for a payment based on the percentage of loss on the damaged acres. Pages 50 to 51 provide more information on the Hail Endorsement.

It is expected the Hail Endorsement will be offered on the majority of crops that are insurable under the New Crop Insurance Initiative. However, AFSC reserves the right not to provide Hail Endorsement coverage on crops where hail damage cannot be accurately assessed.

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

Designated perils: There are no specific designated perils for the crops insured under the New Crop Insurance Initiative. It is a proxy insurance and losses are based on crops insured under the client's Crop Insurance.

Uninsured causes of loss: As New Crop Insurance Initiative is a proxy insurance and losses are based on crops insured under the client's Crop Insurance, there will be no circumstances that would require the application of uninsured causes to a New Crop Insurance Initiative crop.

Price option

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

Variable Price Benefit: The Variable Price Benefit will not be offered to crops insured under New Crop Insurance Initiative.

Premium

Premium rates for the New Crop Insurance Initiative will be based on a methodology that is determined by AFSC's Actuarial, Analytics and Forecasting Department to reflect the risk of future losses.

Premium rates may vary by risk area and land use.

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

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

Indemnity

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

Liability (dollar coverage) calculation: If the dollar coverage for a specific New Crop Insurance Initiative crop is $300 per acre and the number of acres insured is 200, then the liability is:

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

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

In this example, if a client had $60,000 of total coverage under New Crop Insurance Initiative, and insured three crops of the same land use (e.g. dryland) under Crop Insurance, the indemnity will be determined as follows

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

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

Inspections

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

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

The Reseeding Benefit will not be offered to crops insured under the New Crop Insurance Initiative.

Unseeded Acreage Benefit: The Unseeded Acreage Benefit is included with New Crop Insurance Initiative and the cost will be included in the premium so a separate premium is not required for unseeded acres.

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

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

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

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

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

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

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

- **Level 1:** Dryland $57 per acre - compensates for direct costs (rent, land taxes and interest), land preparation (cultivation, harrowing, herbicide application and chemical fallow) and following year maintenance;
- **Level 2:** Dryland $127 per acre - compensates for Level 1 costs plus pre-plant incorporation of fertilizers (confirmation receipts may be required);
- **Level 3**: Irrigated $125 per acre - compensates for direct costs (rent, land taxes and interest), irrigation water rights and following year land maintenance;
- **Level 4**: Irrigation $207 per acre - compensates for Level 3 plus pre-plant incorporation of fertilizers (confirmation receipts may be required).

Benefits are capped at the lesser of $127 per acre for dryland and $207 per acre for irrigated acres, or the equivalent to 50 per cent coverage for the client's predominant dryland and irrigated crops on their Crop Insurance.

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

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

Clients who purchase the Hail Endorsement or Straight Hail Insurance, including Auto-Elect Straight Hail, must report a loss online through AFSC Connect or contact an AFSC branch office within 14 days after the day the crop was damaged by hail or fire. Clients may submit a hail claim by logging into their AFSC Connect account or contacting their branch office.

Clients are to check insured fields to identify the damaged areas prior to filing a hail claim and are expected to take the adjuster to damaged fields when the damage assessment is completed. When the initial assessment is less than 10 per cent and clients request a re-inspection, clients may be charged an hourly rate plus mileage.

Wildlife Damage Compensation Program: AFSC regulations require that wildlife compensation applies to all commercially grown cereal, oilseed, special and other crops that can be insured under the production and Straight Hail Insurance programs. View the Wildlife Damage Compensation Program page on AFSC.ca to learn more about the program.

Routine inspections: AFSC will require access to fields insured under the New Crop Insurance Initiative to gather agronomic information for future use.

Client Responsibilities

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

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

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

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

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

Unseeded Acreage Benefit: Clients should contact a branch to file their Land Report and report any unseeded acres no later than June 20 with the following information: All legal land locations (reported separately by quarter section) that have unseeded acres

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

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

Hail and fire damage: For damage of 10 per cent or more under either Hail Endorsement or Straight Hail Insurance programs, clients must report a loss online through AFSC Connect or contact an AFSC branch office within 14 days after the day the crop was damaged by hail or fire. Clients may submit a hail claim by logging into their AFSC Connect account or contacting their branch office.

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

- The legal location, crop type and number of acres effected;
- The date of the storm; and
- Estimate of the percentage of damage for each crop.

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

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

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

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

Silage Greenfeed Insurance

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

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

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

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

What can be insured

Crops seeded for the purpose of silage or greenfeed:

- All fall, winter and spring cereals
- Corn
- Peas
- Faba beans
- Lupines
- Italian rye grass
- Annual rye grass
- Millet
- Sorghum
- Sorghum - Sudan grass
- Feed turnips
- Any percentage mixture of the above crops. Fields are insured based upon the majority crop type in the mix:
  - Cereal mix
  - Pulse mix
  - Oilseed mix
- Cocktail crops: Any mixture of a minimum of three crops meeting the following criteria:
  - Primary crop is a single insurable crop under the Insuring Agreement;
  - Primary crop is a single crop type comprising of 35 per cent or more of the plant population; and
  - No single crop not included in the Insuring Agreement can composes of more than 20 per cent of the plant population

Coverage

Coverage is based on a proxy crop, regardless of the option chosen, and is equal to the 80 per cent coverage level offered for barley under the production insurance program at the spring insurance price. The township barley dollar coverage applies to all the silage and greenfeed crops except corn, which has an additional $85 per acre coverage. See each option for a more in depth description of coverage.

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

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

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

Price option

Variable Price Benefit: For both options, the Variable Price Benefit is automatically included and compensates clients in a loss situation when the fall market price of barley increases 10 per cent or more from the spring insurance price to the fall market price. The Variable Price Benefit is limited to a maximum increase of 50 per cent above the spring insurance price set for 1 CW barley under production insurance.

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

Premium

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

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

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

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

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

Inspections

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

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

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

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

There is no limit to the number of reseeding claims that can be submitted on the same land. However, AFSC will only pay on land that has been released for reseeding and confirmed by AFSC that the work was done no later than June 20.

Reseeded acreage benefit values and minimum acreage requirements for all insurable crops are listed in the Program Specifics Table on pages 24 to 27.

Unseeded Acreage Benefit: The Unseeded Acreage Benefit is included with Silage Greenfeed Insurance.

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

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

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

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

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

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

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

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

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

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

- **Level 1:** Dryland $57 per acre - compensates for direct costs (rent, land taxes and interest), land preparation (cultivation, harrowing, herbicide application and chemical fallow) and following year land maintenance;
- **Level 2:** Dryland $127 per acre - compensates for Level 1 costs plus pre-plant incorporation of fertilizers (confirmation receipts may be required);
- **Level 3**: Irrigated $125 per acre - compensates for direct costs (rent, land taxes and interest), land preparation, (cultivation, harrowing, herbicide application and chemical fallow), irrigation water rights and following year land maintenance;
- **Level 4**: Irrigated $207 per acre - compensates for Level 3 costs plus pre-plant incorporation of fertilizers (confirmation receipts may be required).

Benefits are capped at the lesser of $127 per acre for dryland and $207 per acre for irrigated acres; or 50 per cent coverage level offered under production insurance program for the client's predominant dryland and irrigated crops.

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

Hail and fire damage

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

Clients who purchase the Hail Endorsement or Straight Hail Insurance, including Auto-Elect Straight Hail, must report a loss online through AFSC Connect or contact an AFSC branch office within 14 days after the day the crop was damaged by hail or fire. Clients may submit a hail claim by logging into their AFSC Connect account or contacting their branch office.

Clients are to check insured fields to identify the damaged areas prior to filing a claim and are expected to take the adjuster to damaged fields when the damage assessment is completed. When the initial assessment is less than 10 per cent and clients request a re-inspection, clients may be charged an hourly rate plus mileage.

Insurance Options

Barley Proxy Option (BP)

Coverage is available in all 22 Risk Areas of the province for dryland or irrigated crops and uses a proxy crop based on the 80 per cent coverage level offered for barley under Crop Insurance.

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

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

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

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

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

The claim rate for the proxy area is based on:

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

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

Example Claim Rate Calculation in Proxy Area: Experience of clients who insured feedgrains under Crop Insurance in the proxy area				
Client	Acres Insured	Coverage (bushels per acre adjusted to 80% coverage level)	Total Yield Coverage (bushels)	Actual Yield Before Grade (bushels)
1	160	52	8,320	5,000
2	640	68	43,520	20,000
3	80	47	3,760	4,000
4	1,200	57	68,400	30,000
5	320	44	14,080	7,000
6	40	52	2,080	1,000
7	150	52	7,800	4,021
Total			147,960	71,021

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

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

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

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

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

VPB Example for Barley Proxy Option for Silage Greenfeed:

Additional Assumptions:

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

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

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

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

Lack of Moisture option

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

There are four points clients need to consider when insuring with the Lack of Moisture option:

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

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

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

Several weather station sources are used to gather precipitation data for the Lack of Moisture option, including: Environment and Climate Change Canada, and the Alberta Ministries of Agriculture and Forestry (AF) and Environment and Parks. All precipitation data used for this program is checked and validated by AF.

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

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

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

Disclaimer: Daily precipitation measurements under 0.1 mm will be considered 0.0 mm, and will not be included in determining the precipitation for the month.

LOM Weighting Options for Silage Greenfeed Insurance

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

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

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

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

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

Assumption:

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

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

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

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

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

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

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

VPB Example for Lack of Moisture Option for Silage Greenfeed:

Additional Assumptions:

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

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

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

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

Client Responsibilities

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

Clients must report the number of acres intended to be insured as silage by April 30.

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

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

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

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

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

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

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

Seeding deadlines

Barley Proxy - June 20 for all crops.

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

Seeded acres change from elected acres (Lack of Moisture): If seeded acres are:

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

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

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

- Legal land locations;
- Insured crop that is damaged;
- Crop intended to be reseeded;
- Number of acres to be reseeded;
- The cause of loss; and
- That the original acres have been ploughed under or sprayed out.

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

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

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

Unseeded Acreage Benefit

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

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

For both BP and LOM, provide the following information:

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

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

Hail and fire damage: For damage of 10 per cent or more under either the Hail Endorsement or the Straight Hail Insurance program, clients must file a claim online through AFSC Connect or contact an AFSC branch office within 14 calendar days of the hailstorm or fire. Clients may submit a hail claim by logging into their AFSC Connect account or contacting their branch office.

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

- The date of the storm;
- The number of acres affected, crop type, legal location; and
- Estimate of the percentage of damage for each crop.

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

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

Corn Heat Unit Insurance

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

Insurable crops

Irrigated corn grown for grain and silage.

Coverage

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

Corn Heat Units are calculated from temperature measured at the insurable weather stations on a daily basis beginning on May 15. Corn Heat Units for the growing season are the total of the daily calculations.

The daily calculations continue to accumulate until the earlier of the first killing frost, defined as a temperature of less than or equal to -2°C, or September 30, after a minimum of 700 corn heat units have accumulated, usually by late June.

Corn Heat Units formula:

The Celsius-based formula used to calculate daily Corn Heat Unit is:

[1.800 (C1 - 4.4) + 3.330 (C2 - 10) - 0.084 (C2 - 10)2] ÷ 2

Where:

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

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

The lowest daily value for a CHU is 0.

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

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

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

Price option

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

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

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

Premium

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

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

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

Causes of loss

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

Indemnity

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

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

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

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

Claims are based on accumulated Corn Heat Units (CHU) calculated using the temperature data recorded at the selected weather station. Corn heat units accumulated before the killing frost are compared to the threshold chosen by the client at the weather station. If the annual corn heat unit are less than the chosen threshold, the insurance program starts to make payments.

Assumption:

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

Indemnity calculation:

- Corn Heat Unit shortfall (2,280 - 2,090) = 190
- 190 CHU is <200 = 30% payment rate

With a payment rate of 30%, the client would receive an indemnity of:

- 30% x $42,000 = $12,600

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

- On or after June 1; and
- Prior to 700 CHUs being recorded at the weather station.

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

Late spring frost indemnity example:
Assume:

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

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

The payment rate in this example is 24 per cent at Iron Springs for a high threshold election (see table on page 45).

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

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

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

Inspections

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

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

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

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

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

- Intended to be seeded for crop, silage or greenfeed (insured and uninsured);
- In hay or pasture the previous year and that was either worked or sprayed at a rate sufficient to kill that crop and intended to seed to a spring crop in the current year (insured and uninsured); or
- Unharvested (snowed under) the previous year and is intended to be harvested in the spring prior to seeding a spring crop.

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

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

- **Level 1:** Dryland $57 per acre - compensates for direct costs (rent, land taxes and interest), land preparation (cultivation, harrowing, herbicide application and chemical fallow) and following year land maintenance;
- **Level 2:** Dryland $127 per acre - compensates for Level 1 costs plus pre-plant incorporation of fertilizers (confirmation receipts may be required);
- **Level 3:** Irrigated $125 per acre - compensates for direct costs (rent, land taxes and interest), land preparation, (cultivation, harrowing, herbicide application and chemical fallow), irrigation water rights and following year land maintenance;
- **Level 4:** Irrigated $207 per acre - compensates for Level 3 costs plus pre-plant incorporation of fertilizers (confirmation receipts may be required).

Benefits are capped at the lesser of $127 per acre for dryland and $207 per acre for irrigated acres; or 50 per cent coverage for the client's predominant dryland and irrigated crops.

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

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

Clients who purchase the Hail Endorsement or Straight Hail Insurance, including Auto-Elect Straight Hail, must report a loss online through AFSC Connect or contact an AFSC branch office within 14 days after the day the crop was damaged by hail or fire. Clients may submit a hail claim by logging into their AFSC Connect account or contacting their branch office.

Clients are to check insured fields to identify the damaged areas prior to filing a hail claim and are expected to take the adjuster to damaged fields when the damage assessment is completed. When the initial assessment is less than 10 per cent and clients request a re-inspection, clients may be charged an hourly rate plus mileage.

Client Responsibilities

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

Clients will also need to select the crop, dollar coverage, a low or high threshold, weather station, and can elect applicable endorsements and options..

Land Report and Statement of Coverage and Premium: Clients must contact their branch and complete a Land Report once seeding is finished or by June 20.

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

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

Seeding deadlines: May 15 - Grain Corn; May 31 - Silage Corn

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

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

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

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

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

- The legal location, crop type and number of acres effected;
- The date of the storm; and
- Estimate of the percentage of damage for each crop.

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

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

Hail Endorsement

Hail Endorsement can be purchased as an endorsement to:

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

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

Straight Hail Insurance can be purchased on viable crops online at www.afsc.ca and at any AFSC office. Straight Hail Insurance sales open May 1.

What can be insured

Hail Endorsement eligibility for all insurable crops is listed in the Program Specifics Tables on pages 24 to 27. Hail Endorsement will be offered on the majority of crops that are insured under the New Crop Insurance Initiative, however, AFSC reserves the right to deny Hail Endorsement coverage on crops where hail damage cannot be accurately assessed. Honey and Bee Overwintering Insurance programs are not eligible for Hail Endorsement.

Coverage

Hail Endorsement applies to the entire acreage of the crop insured and at the same dollar coverage as provided under annual crop insurance.

Insurance protection begins when the crop emerges and continues until:

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

Premium

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

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

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

Causes of loss

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

Indemnities

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

Claim Payment Scale:

- No payments are made for claims less than 10 per cent;
- Claims between 71 and 89 per cent receive a harvesting allowance up to 10 per cent. The harvesting allowance is equal to the percentage the damage exceeds 70 per cent to a maximum of
- 10 per cent;
- Claims equal to or greater than 90 per cent are paid as a 100 per cent loss.

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

Examples of Hail Endorsement payments:

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

Scenario A

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

- Hail Endorsement payment:
  = $204 x 40% = $81.60 per acre
- Basic production payment:
  = 30 bushels (coverage) - 20 bushels (harvested)
  = 10 bushels
  = 10 bushels (shortfall) x $6.80/bu = $68 per acre
  Total payment: $81.60 + $68 = $149.60 per acre

Scenario B

Assume 40 per cent hail loss; harvests 10 bushels per acre.

- Hail Endorsement payment:
  = $204 x 40% = $81.60 per acre
- Basic production payment:
  = 30 bu (coverage) - 10 bu (harvested) = 20 bushels
  = 20 bu (shortfall) x $6.80/bu = $136 per acre

Total payments from all sources cannot exceed dollar coverage under the basic policy. Since $81.60 per acre has already been paid under the Hail Endorsement, this means only the remaining coverage can be paid. The basic production insurance loss is limited to:

- $204 (coverage) - $81.60 (Hail Endorsement)
  = $122.40 per acre

Total payment: $81.60 + $122.40 = $204 per acre

Client Responsibilities

Renewals and new insurance: For renewals, Hail Endorsement is automatically included on crops where it was elected the previous year. Clients are responsible to review their renewal information, complete a Change Request form online if changes are required or return the form to an AFSC insurance representative by mail, fax, email, in person or request changes by phone by April 30.

For new insurance, clients must specifically choose Hail Endorsement coverage on a crop by crop basis by April 30 for:

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

Reporting a loss: Clients who purchase the Hail Endorsement must report a loss online through AFSC Connect or contact an AFSC branch office within 14 days after the day the crop was damaged by hail or fire.

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

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

- The legal location, crop type and number of acres effected;
- The date of the storm; and
- Estimate of the percentage of damage for each crop.

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

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

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

Cancellation and Premium Refund Schedule

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

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

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

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