Canada-Alberta AgriInsurance Products

BENEFITS

For 2023 Annual and Perennial Crops

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ARTICLE 1. ANNUAL CROP BENEFITS

1.01 Indemnity by Stages of Insurance

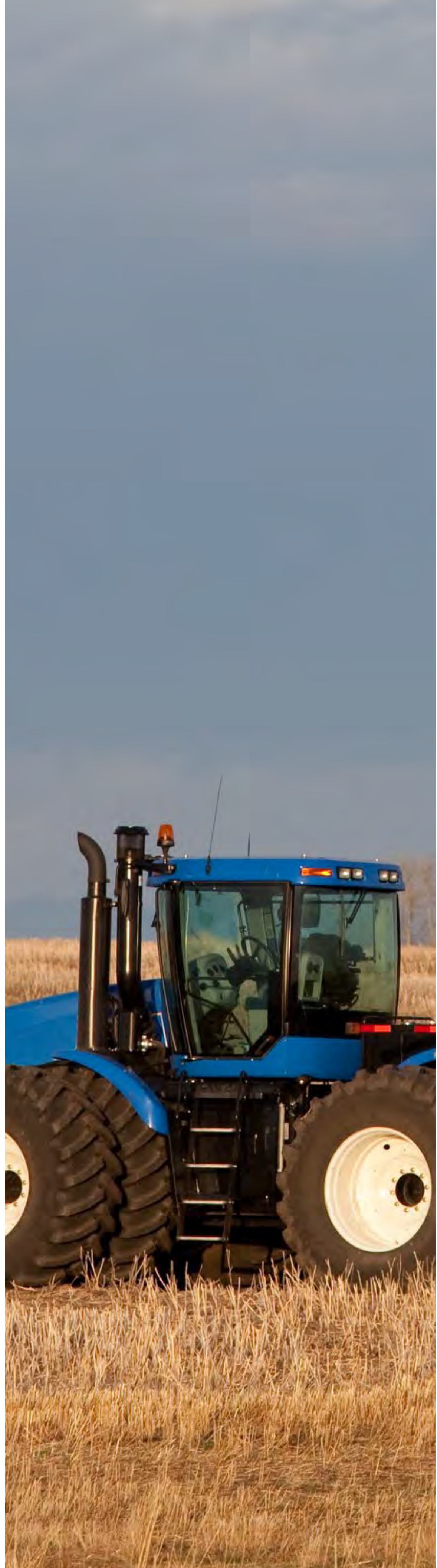
The general Stage(s) are described in this Annual Crop Benefits section within this Benefits document. The specific Stage(s) for each Insured Crop are described in the applicable Insuring Agreement(s). The amount of the Indemnity payable on an Insured Crop is dependent upon the Stage of the crop at the time of filing a Notice of Loss. The same Stage(s) will apply to fall seeded and spring seeded crops except that fall seeded crops will not be adjusted in the year of seeding.

AFSC maintains the right to change the Stage of Indemnity, which, in the opinion of AFSC, should have been filed in a different time period than the actual time of filing.

a. Stage 1 on or Before June 20

Where the Insured has, on or before June 20 any year, incurred a loss from Designated Perils on one or more parcels of seeded land and meets minimum acreage requirements and AFSC releases and confirms the damaged acres as per the section entitled "Insured Crop Put to Another Use" in the applicable Insuring Agreement(s), then either:

- i. the reseeding Indemnity will be determined as specified by AFSC for each crop on damaged acres in accordance with Section 1.02 – Reseeding Benefit; or
- ii. an Appraised Potential Production of not less than 50 percent of Coverage by crop will be assessed.
  - 1) If an Appraised Potential Production of not less than 50 percent of Coverage by crop will be assessed, then Crop Premium will be charged on the full acres.
    - a) If only a portion of the total acreage of an Insured Crop is released because of damage, the amount of the appraisal from the acres Put to Another Use will be added to the Adjusted Production from the remaining acreage of the Insured Crop.



b. Stage 2 on or After June 21

   i. If the Insured notifies AFSC of a loss from Designated Perils on or after June 21 and before November 30 in each year, an Indemnity shall be calculated as follows:

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

   ii. Before AFSC pays post-harvest Indemnity the Insured must file a Harvested Production Report.

   iii. In no case, for an Insurable Crop, shall the combined Indemnities under any Insuring Agreement (including the Hail Endorsement Insuring Agreement), Wildlife Damage Compensation Program, and Unharvested Acreage Indemnity exceed total Dollar Coverage for that crop under this Contract.

1.02 Reseeding Benefit

a. If the reseeding Indemnity will be determined as specified by AFSC for each crop on damaged acres, then:

   i. where the Insured has re-seeded to an elected crop by the specified Seeding Deadline of the crop reseeded to, Premium will be charged for the crop reseeded to and the crop will be insured;

   ii. where the Insured has re-seeded to a non-elected crop, or reseeded to an elected crop after the specified Seeding Deadline of the crop reseeded to, or has not reseeded, Premium will not be calculated and Coverage will not be provided;

   iii. AFSC shall not pay a reseeding Indemnity on crops for which the Insured has elected a 50 percent Coverage Level; and

   iv. AFSC will only pay on land that has been released for reseeding and where AFSC has confirmed that the work was done no later than June 20.

b. Acres need to be released by AFSC for reseeding prior to the original seeded crop being taken out of production. Acres that are not released and confirmed by AFSC prior to reseeding are not eligible for this benefit.

c. When acres are intended for reseeding, the Insured must contact AFSC prior to taking the original crop out of production on or before June 20, and provide the following information:

   i. legal land locations;

   ii. Insured Crop that is damaged;

   iii. crop intended to be reseeded to;

   iv. number of acres to be reseeded;

   v. the cause of loss; and

   vi. upon completion, notification that the original acres have been ploughed under or sprayed out.

d. AFSC will confirm the actual number of released acres prior to payment.

1.03 Unseeded Acreage Benefit

a. If the Insured has not completed seeding on or before June 20 because of excessive moisture, and has initiated a request for inspection on or before June 20, AFSC shall pay Indemnities on the eligible acres at the lesser of:

   i. the determined compensation level; or

   ii. the 50 percent Coverage Level multiplied by the Spring Insurance Price for the dryland and irrigated predominant crop(s) insured by the Insured the previous year. If the producer was not insured the previous year, the predominant dryland and irrigated Insured Crop(s) in the Risk Area will be used.

b. Acres are not eligible for the Unseeded Acreage Benefit when they are seeded for harvest in the current Crop Year, unless they have qualified for a reseeding benefit and could not be reseeded on or before June 20 because of excessive moisture.

c. An Indemnity will be paid provided:
   i. the Insured, in the discretion of AFSC, had adequate access to equipment, labour and supplies to have otherwise seeded the unseeded acres;
   ii. the land, in the discretion of AFSC, is ready or otherwise could have been ready for a seeded crop;
   iii. land that was seeded to perennial crop for hay, pasture or seed has been worked or sprayed at a rate sufficient to kill the crop in the previous year, and the acreage is declared to be seeded to an Annual Crop by April 30;
   iv. the land, in the discretion of AFSC, is not subject to repeated flooding, or where excess moisture is not a recurring problem;
   v. the land is intended to be seeded for crop, silage and/or greenfeed (insured and uninsured);
   vi. land that was unharvested (snowed under) the previous year is intended to be harvested in the spring prior to seeding a spring crop;
   vii. land that qualified for a Reseeding Benefit could not be reseeded on or before June 20 due to excessive moisture.

d. Eligible acres are calculated on a quarter section basis using cultivated acres not seeded due to excess moisture, less a deductible of five percent of total cultivated acres per quarter section.

e. When the sum of [total acres seeded + total eligible acres + total deductible] exceeds the Declared Acres, Indemnities will be capped by the Declared Acres.

f. An Indemnity payment made in accordance with this section may be made on land rented or purchased after April 30, but before June 1, provided AFSC has received a signed rental agreement or contract of sale by June 1.

g. There are four levels of payment and each level has different eligibility requirements:
   i. 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;
   ii. Level 2: Dryland $127 per acre - compensates for Level 1 costs plus pre-plant incorporation of fertilizers (confirmation receipts may be required);
   iii. 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;
   iv. 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 percent coverage for the client’s predominant dryland and irrigated crops.

1.04 Unharvested Acreage Benefit

Where the Insured has not completed harvesting on or before November 30 (unless otherwise specified in an Insuring Agreement) because of the onset of winter as determined by AFSC:

a. The Insured will be eligible for an extension of the Period of Insurance as per the section entitled “Period of Insurance for Indemnity Assessment” in the applicable Insuring Agreement(s) provided:

    i. Harvested Production Report indicating the unharvested acres is filed with AFSC subject to the section entitled “Harvested Production Report” in the applicable Insuring Agreement(s);

    ii. Adjusted Production, excluding total potential production from the unharvested crop, does not equal or exceed Coverage;

    iii. the Insured, in the discretion of AFSC, had adequate access to equipment and labour to have otherwise harvested the unharvested acres; and

    iv. AFSC, in its discretion, considers it impractical to have harvested the crop.

b. Where acres are eligible for an extension to the Period of Insurance and where the unharvested acreage exceeds 20 percent of the insured acres for each eligible Insured Crop, AFSC shall pay an Unharvested Acreage Indemnity equal to 25 percent of the Insured’s average Dollar Coverage per acre for the Insured Crop multiplied by eligible unharvested acres in excess of 20 percent of the total insured acreage of the Insured Crop.

c. Acres harvested after the filing of the Harvested Production Report but prior to the unharvested inspection will be deemed harvested at the date of the filing of the Harvested Production Report and will not be eligible for the Unharvested Acreage Indemnity.

d. The Unharvested Acreage Indemnity shall be a partial payment towards any further claims and will be deducted from any additional payments for the Insured Crop. If the calculated loss on a subsequent claim is less than the Unharvested Acreage Indemnity made or no further claim is made on the Insured Crop, the Insured shall not be obliged to return the Unharvested Acreage Indemnity to AFSC.

ARTICLE 2. ANNUAL CROP AND PERENNIAL CROP BENEFITS

2.01 Water Allocation Restriction Benefit

a. The Insured is eligible for the Water Allocation Resource Restriction Benefit if:

    i. the Insured Elected irrigation Coverage for the Crop Year;

    ii. the Insured seeded an insurable Crop eligible for irrigation Coverage, subject to the conditions under the section entitled “Irrigation Coverage” in the applicable Insuring Agreement(s);

    iii. water allocations to the irrigated land of the Insured Crop have been restricted by the Government of Canada, Government of Alberta, or any other authorized regulatory body during the Crop Year;

    iv. the Production Loss is a result of drought;

    v. the Insured applied no less than 50 percent of the restricted water allocation on a per acre basis to the Insured Crop;

    vi. when filing their Land Report, the Insured is to report acres that are not intended to receive at least 50 percent of their water allocation as dryland;

    vii. the full allotment of the restricted water allocation must be applied to the Insured Crop(s); and

    viii. when filing the Harvest Production Report, the Insured reports by field where water allocation restrictions were imposed for the Crop Year.

b. Notwithstanding subsection (a), if the Insured transfers water allocated to acres of the Insured Crop to a crop other than an alternate Insured Crop, Uninsured Causes of Loss will be applied to that Insured Crop.

c. If less than 50 percent 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.

2.02 Variable Price Benefit

Compensation is provided for each eligible Insured Crop when there is a Production Loss, and the Fall Market Price of the Insured Crop increases by 10 percent or more from the Spring Insurance Price. AFSC will set the Fall Price capped at 150 percent of the Spring Insurance Price.

a. For each eligible Insured Crop, AFSC will invoke the Variable Price Benefit for each Insuring Agreement unless otherwise stipulated.

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

c. If a fallback price methodology as described above cannot be developed for the Insurable Crop or its proxy crop, this Agreement will cease to be enforceable against AFSC for that Insurable Crop and cease to have any effect against AFSC. AFSC will then return to the Insured the paid Premium, less any applicable discount for that Insurable Crop.

ARTICLE 3. PASTURE SPOT LOSS FIRE BENEFIT

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

3.01 Definitions

In this Pasture Spot Loss Fire Benefit section in this Benefits document:

a. **“Eligible Fires”** means:

   i. accidental fire; or

   ii. fire caused by lightning.

b. **“Insurable Crop”** means pastures insured under Moisture Deficiency Insuring Agreement.

c. **“Spot Loss”** means losses eligible for Indemnity on the actual area of the Insurable Crop that had an incidence of accidental fire or fire caused by lightning.

3.02 Period of Insurance

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

3.03 Minimum Acres

A minimum of 100 acres must have been burned to qualify for compensation.

3.04 Limitation of Coverage Available

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

3.05 Occurrence of Fire

A fire which burns continuously for more than one day will be deemed to occur on the first day that the fire started as determined by AFSC. A fire which restarts within one week or jumps a fire break will be considered to have burned continuously.

3.06 Eligibility to Insure Acres affected by Eligible Fire in Following Year

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

3.07 Notice of Loss

a. An Insured wishing to claim for a loss under this Benefit must provide to AFSC a Notice of Loss and comply with the following:
    i. the Insured must notify AFSC within 14 days after the date that the fire occurred;
    ii. the Insured must advise AFSC of the cause of the fire;
    iii. the Insured must provide any relevant documentation from the fire department; and
    iv. the Insured must advise AFSC of the legal land description and acres damaged by the fire.
b. If the Insured is late in filing a Notice of Loss AFSC may reject the claim.

3.08 Indemnities

a. Per acre coverage is limited to a maximum of 200 percent less 20 percent deductible of the base coverage provided for under the Moisture Deficiency Insuring Agreement in effect for the acres burned.
b. AFSC will not indemnify Insureds for losses caused by Eligible Fires under this Insuring Agreement in cases where losses are recoverable from other insurance sources or through legal remedy.
c. Payments under this agreement are subject to a ten percent deductible.

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

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

* Insurance Payments means Indemnities made under the Moisture Deficiency Insuring Agreement applying only to the acres burnt in an eligible fire.