



STRAIGHT HAIL PROGRAM INFORMATION

2024

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

Through the suite of products 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.

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.

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 once payment 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.

WHAT'S NEW FOR 2024

Applications for Straight Hail Insurance for Market Gardens must be completed with an AFSC representative or at an AFSC branch office. Applications will be subject to an inspection to determine eligibility of crops for hail coverage.

Cocktail Crops have been added to the list of eligible crops for Straight Hail Insurance. Refer to the Straight Hail Contract of Insurance for a definition of Cocktail Crops and specifications.

WHAT WAS NEW FOR 2023

Maximum values for all crops have been reviewed and updated to better reflect today's production capability and commodity values. See the Coverage section within this booklet for more details.

Changes to market garden eligibility have been made to be more current with industry:

- Market gardens maximum acres has been increased from 30 to 60 acres
- The requirement to have a minimum of three crops grown has been removed
- Strawberries are now eligible for coverage
- Contact AFSC to determine if your crop is eligible for coverage

OVERVIEW

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

Producers can purchase Straight Hail Insurance on viable crops online at [AFSC.ca](https://www.afsc.ca) and at any AFSC office prior to the application deadline of July 31.

- Insurance is purchased in one-dollar increments and comes into effect at noon on the day following the date of application.
- Straight Hail Insurance expires if the crop is put to another use, when harvest is complete or at midnight on October 31 of the year of application.

If damage was incurred on one or more fields prior to Straight Hail Insurance being purchased, those acres are not eligible for Straight Hail Insurance. Producers are required to report any previous damage, and effected fields will not be insured.

What can be insured

Viable annual or perennial crops (excluding pasture) are insurable under Straight Hail Insurance. A full list can be found in the Straight Hail Contract of Insurance, Schedule of Insurance posted on [AFSC.ca](https://www.afsc.ca).

To get an estimate of your premium based on your own crops, there are two options available:

- Log in to AFSC Connect at [AFSC.ca/login](https://www.afsc.ca/login) to quickly populate your land and crop information from previous hail insurance and/or crop insurance
- Enter land and crop information from scratch using the Straight Hail Premium Calculator available on [AFSC.ca](https://www.afsc.ca)

COVERAGE

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

Coverage Available by Crop Category

Cereals, most oilseeds, pulse and forage (hay and perennial seed) crops can be insured to a maximum of:

- Dryland - \$325 per acre;
- Irrigated - \$575 per acre.
- Liability will be prorated on hay crops with more than one cutting

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

- Dryland - \$425 per acre;
- Irrigated - \$575 per acre.

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

- Dryland - \$2,525 per acre;
- Irrigated - \$2,900 per acre.

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

- Dryland - \$3,725 per acre;
- Irrigated - \$4,150 per acre.

Market garden crops can be insured to a maximum of \$19,050 per acre.

When more than one Policy is purchased on a field, whether by the same producer or a combination of producers who have an insurable interest in the crop, the combined dollar coverage per acre of all Policies cannot exceed the Straight Hail Insurance coverage limit.

Producers have the option to insure all or only a portion of their field, contact AFSC for further details.

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

Insurance protection begins when the crop emerges and continues until:

- The insurance is cancelled by the Insured (can only be cancelled if a claim has not been paid);
- The crop is put to another use;
- The acres have been abandoned due to no harvest value;
- The crop is harvested;
- Midnight October 31.

Auto-Elect Straight Hail: AFSC offers an option to purchase Straight Hail Insurance at the same time the Insured elects coverage under the majority of annual crop insurance Policies including Silage Greenfeed and Corn Heat Unit Insurance. The Insured receives a two per cent discount on the Auto-Elect Straight Hail Insurance premium.

The Insured's Auto-Elect Straight Hail Insurance is renewed each year when the annual crop insurance Policy is renewed. The Insured is responsible to review the renewal information, and if changes are required complete a Change Request form online or return the form to an AFSC insurance representative by mail, fax, email, in person, or request changes by phone, no later than April 30. If the elected crop is not seeded, premium is not charged.

- a. An Insured who elected Auto-Elect Coverage in the previous year will be automatically renewed with the AgrilInsurance for annual crops based on the previous year's information. Refer to the applicable Insuring Agreement for details.

PREMIUM

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

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 within the Straight Hail Contract of Insurance on AFSC.ca, presents the rates by crop as a base rate, ¾ times base rate, 1½ times base rate, 1¾ times base rate and 2 times base rate.

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

Discounts		
Auto-Elect Discount	2%	Provided to clients who elect Straight Hail Insurance along with their Annual Crop Insurance
Online Discount	2%	Provided to clients who purchase Straight Hail Insurance online
Early Payment Discount	2%	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

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

CLIENT RESPONSIBILITIES

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

Acres are not eligible for Straight Hail Insurance if the acres have incurred damage prior to Straight Hail being purchased.

The deadline to apply for Straight Hail Insurance is July 31.

Reporting a loss: Submit your hail claim to AFSC within 14 calendar days following the date on which the storm occurred. Late reporting of hail damage after 14 days will not be accepted.

AFSC Connect online hail claim reporting provides a simplified way to report by prepopulating your land and crop information. Claims can be submitted online through AFSC Connect at AFSC.ca/login or by phone.

Insureds 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 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.

Insureds 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, the Insured may leave representative Inspection Strips or swaths for adjusters to use to assess damage. Additional information on Inspection Strips can be found on the AFSC website.

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

Policies cancelled may be eligible for a percentage of premium refund, as per the Cancellation and Premium Refund Schedule in Straight Hail Contract of Insurance for either spring seeded crops or fall seeded crops posted on AFSC.ca.

INDEMNITIES

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

Indemnity Calculation Examples

Assumption

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

Example A

70 per cent hail damage to the entire acreage of crop.

Indemnity = Acres x \$ coverage per acre x % of damage

$$= 100 \text{ acres} \times \$200 \times 70\%$$

$$= \$14,000$$

Example B

When crops are damaged between 71 and 89 per cent, the Insured will receive a harvesting allowance. The harvesting allowance is equal to the percentage the damage exceeds 70 per cent to a maximum of 10 per cent. Crops that are damaged equal to or greater than 90 per cent are paid at 100 per cent.

Example 75% damage: $75\% + 5\% = 80\%$ loss paid

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

Indemnity = Acres x \$ coverage per acre x (% of damage + % harvesting allowance)

$$= 100 \text{ acres} \times \$200 \times (75\% + 5\%)$$

$$= 100 \text{ acres} \times \$200 \times 80\%$$

$$= \$16,000$$

Example C

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

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

Indemnity = Acres x \$ coverage per acre x [(% damage + % harvesting allowance) - % deductible]

$$= 100 \text{ acres} \times \$200 \times [(75\% + 5\%) - 25\%]$$

$$= 100 \text{ acres} \times \$200 \times 55\%$$

$$= \$11,000$$