

Canada-Alberta AgrilInsurance Products

TERMS AND CONDITIONS

For 2025 Annual and
Perennial Crops

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TERMS AND CONDITIONS

These Terms and Conditions apply to every Insuring Agreement unless stated otherwise in the relevant Insuring Agreement(s) or unless inapplicable due to context.

Agriculture Financial Services Corporation (“AFSC”) is authorized to provide crop insurance to eligible applicants pursuant to the *Agriculture Financial Services Act* (“Act”), the regulations made pursuant to the Act, and the Federal/Provincial AgrilInsurance Agreement. The Contract of Insurance (“Contract”) is comprised of the application for insurance (“Application”) signed by the insured party and accepted by AFSC, the Election, as well as these Terms and Conditions. An individual policy of insurance (“Policy”) may be issued under the Contract and is comprised of the applicable Insuring Agreement(s), the Benefits, the Statement of Coverage and Premium issued in any given Crop Year and any Endorsement. A Policy issued under the Contract forms a part of the Contract.

In consideration of the payment of the Premium set out in the Policy and of the statements made in the Application, AFSC will indemnify the Insured for damage caused by Designated Perils to an Insured Crop. The Premium to insure a crop in each Crop Year shall be paid in full or under any terms and conditions that are made pursuant to the Act.

Words importing the singular only shall include the plural and vice versa.

ARTICLE 1. DEFINITIONS

The following definitions apply to all parts of the Contract and Policy unless stated otherwise in the relevant Insuring Agreement(s) or unless inapplicable due to context:

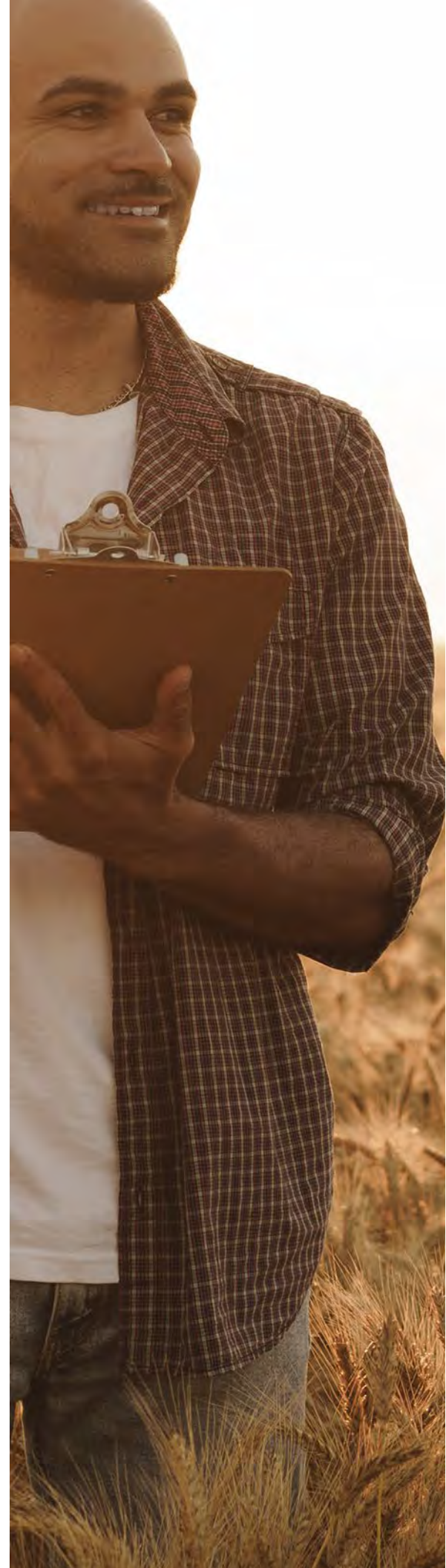
“**Acreage Tolerance**” means AFSC measured acres of an Insured Crop which are within five percent of the insured acres reported by the Insured subject to a 20 acre maximum difference between measured and reported acreage.

“**Adjusted Production**” means the Appraised Potential Production and Harvested Production of a crop adjusted, as determined by AFSC, for:

- a. weight, dockage, moisture, grade relative to Designated Grade, Volunteer Production, and production due to Uninsured Cause of Loss for Annual Crops;
- b. moisture, low yield, and production due to Uninsured Cause of Loss for Hay; and
- c. moisture, Grade Factor, and production due to Uninsured Cause of Loss for Timothy Hay.

“**Annual Crops**” means the crops listed and described in Article 2, Section 2.01.

“**Application**” means the application for insurance to which the Contract applies and signed by the Insured or an individual who is authorized to sign on behalf of the Insured.



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

“Area Normal Yield” means the long-term average yield per acre that AFSC establishes for a Risk Area for Hay and Timothy Hay.

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

“Benefits” means the stand-alone document that describes the Annual Crop Benefits, Annual Crop and Perennial Crop Benefits, and Pasture Spot Loss Fire Benefit.

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

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

“Contract” means the Contract of Insurance which is comprised of the Application signed by the Insured and accepted by AFSC, as well as these Terms and Conditions.

“Coverage” means the amount of production for a crop that AFSC insures based on the Insured’s Final Individual Normal Yield for Annual Crops (except Silage/Greenfeed and Corn Heat Unit Insuring Agreements) or Expected Normal Yield for Perennial Crops (except Moisture Deficiency Insuring Agreement) and the Insured’s elected Coverage Level and number of insured acres.

“Coverage Adjustment” means a factor used to adjust the Area Normal Yield for hay to better reflect the Insured’s production capabilities.

“Coverage Level” means the percentage of Final Individual Normal Yield or the percentage of an individual’s Expected Normal Yield, for an Insurable Crop offered by AFSC and elected by the Insured.

“Crop Year” means:

- a. For Annual Crops, the period commencing on April 1 in one year and ending on March 31 in the next year and, where preceded by a reference to a specified year, means such a period commencing April 1 of that specified year.
- b. For Perennial Crops, the period commencing on March 1 in one year and ending on the last day of February in the next year and, where preceded by a reference to a specified year, means such a period commencing on March 1 of that specified year.

“Decision Date” means:

- a. For Annual Crops, April 30.
- b. For Perennial Crops, the last day of February.

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

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

“Designated Grade” means an established grade of Canada Grain Commission or other specification, assigned by AFSC to an Annual Crop.

“Designated Perils” means a designated risk or hazard against which an Insured seeks to protect themselves when purchasing a policy of insurance. For the Contract the Designated Perils are limited to the following:

- a. drought on crops insured as dryland;
- b. excessive moisture;
- c. fire by lightning;
- d. flood;
- e. frost;
- f. hail;
- g. insect infestations;
- h. plant disease;
- i. Richardson’s ground squirrels (gophers);
- j. snow;
- a. wildfires;
- l. Wildlife;
- m. wind; or
- n. any other peril designated by AFSC from time to time where the peril results in a reduction in production or grade.

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

“Election” means:

- a. For Annual Crops, a declaration by the Insured indicating the Insurable Crop(s) to be insured, the applicable Coverage Level, Declared Acres, Endorsement, and options.
- b. For Perennial Crops, a declaration by the Insured indicating the Insurable Crop(s) to be insured, the applicable Coverage Level, Insurance Price, Endorsement, and options.

“Endorsement” means the Hail Endorsement Insuring Agreement or the Moisture Deficiency Endorsement Insuring Agreement.

“Expected Normal Yield” means the Area Normal Yield for the Hay and Export Timothy Hay Insuring Agreements adjusted by the Insured’s Coverage Adjustment.

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

“Fall Price” means, for an Insurable Crop, the Insurance Price in the fall published by AFSC.

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

“Grade Factor” means a ratio of prices established by AFSC, based on the price of the grade relative to the price of the Designated Grade.

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

“Harvested Production” means the total production harvested of an Insured Crop.

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

“Indemnity” means the compensation AFSC pays to the Insured for a loss incurred pursuant to the Contract and Policy.

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

“Inspection Strips” means the representative standing strips or, for Annual Crops, swaths or standing strips, of the Insured Crop in such measurements as required by AFSC to determine the crop's production potential.

“Insurable Crop” means a crop eligible for insurance in an Insuring Agreement and is seeded or intended to be seeded on land in which the Insured has an interest in.

“Insurable Period” means the total length of time that a Policy is in effect.

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

“Insured” means the person named on an application for insurance that has been accepted by AFSC for the purposes of providing crop insurance under this Contract and to whom any Policy issued under this Contract applies.

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

“Insuring Agreement” means an agreement forming part of the Insured's Policy describing the scope of insurance for an Insured Crop.

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

“Licensed Buyer” means a grain buyer, licensed by the Canadian Grain Commission as a primary elevator or terminal elevator.

“Notice of Loss” means a report provided by the Insured, on a form supplied by AFSC that contains information required by AFSC pertaining to the loss experienced by the Insured.

“Pedigreed Seed” means seed derived from a pedigreed crop that meets the requirements of the *Seeds Act*, RSC 1985, c S-8 and its applicable regulations.

“Perennial Crops” means the crops listed and described in Article 2, Section 2.01.

“Policy” means the policy of insurance issued under the Contract comprised of the applicable Insuring Agreement(s), the Benefits, the Statement of Coverage and Premium issued in any given Crop Year and any Endorsement. A Policy issued under the Contract forms a part of the Contract.

“Premium” means the dollar amount required to be paid by the Insured as consideration for a specified time period and amount of coverage under a Policy.

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

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

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

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

“Quality Loss” means an adjustment using Grade Factor to reflect weight, dockage, moisture content, and grade relative to the Designated Grade of an Annual Crop; moisture content, and grade relative to the Designated Grade for Timothy Hay.

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

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

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

“Report of Hay in Storage Prior to Harvest” means a report provided by the Insured, in a form determined by AFSC, which contains information required by AFSC relative to Carryover Inventory of all Hay and Uninsured Production whether stored on or off the farm.

“Report of Timothy Hay in Storage Prior to Harvest” means a report provided by the Insured, in a form determined by AFSC, which contains information required by AFSC relative to Carryover Inventory of Timothy Hay and Uninsured Production whether stored on or off the farm.

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

“Seeding Deadline” means the last date, as established by AFSC, to seed an Annual Crop to qualify for insurance Coverage under the Contract.

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

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

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

“Stage” means a defined period of insurance for an insurable Annual Crop.

“Statement of Coverage and Premium” means the document issued by AFSC to the Insured outlining coverage that has been accepted by AFSC and the premium owed by the client, and premium paid by federal and provincial government.

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

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

“Summerfallow”, also referred to as fallow, means land that was left unseeded for a growing season or more where adequate and accepted methods of plant growth and weed control were practiced including:

- a. not less than 12 months where the land had previously been in native sod, brush, or timber, as determined by AFSC, or
- b. by July 15 of the year preceding in which the insurance is in effect where the land was seeded to green manure in the year in which insurance applies, or
- c. anytime during the year immediately preceding that to which the insurance applies where the land had been in alsike or red clover that preceding year.

“Timothy Hay” means pure perennial timothy grass, seeded and grown for the export market on irrigated or dryland acres, for mechanical harvesting and for compressed-bale processing.

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

“Uninsured Cause of Loss” means any cause of loss that is not a Designated Peril.

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

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

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

“Waterfowl” means ducks, geese and sandhill cranes.

“Wildlife” means big game, upland game birds as defined in the Regulation, and Waterfowl and other animals covered under the Wildlife Damage Compensation Program.

“Winterkill Provision” means coverage for Hay or Timothy Hay acres that are damaged due to winterkill in the year the claim is requested where:

- a. the acres were insured in the previous year; and
- b. Hay acres have not had more than five years of production for alfalfa and legume and have not had more than eight years of production for grass; or
- c. Timothy Hay acres have not had more than five years of production.

“Yield to Count” means the yield used to calculate the Production Loss for Annual Crops.

ARTICLE 2. INSURABLE CROPS

2.01 Annual Crops

Insurable Annual Crops and their respective Designated Grades are as follows:

- a. Alfalfa Seed, Canada Certified No. 2;
- b. Barley, No. 1 CW;
- c. Camelina, grade not applicable;
- d. Canary Seed, grade not applicable;
- e. Canola, No. 1 Canada;
- f. Canola, Hybrid Seed, Canada Certified No. 1;

- g. Chickpeas, Desi, No. 2 CW;
- h. Chickpeas, Kabuli, No. 2 CW (8 mm size);
- i. Corn, Grain, No. 2 CW;
- j. Creeping Red Fescue, Common No. 2;
- k. Dry Beans, Black/Other, No. 1 Canada;
- l. Dry Beans, Great Northern, No. 1 Canada;
- m. Dry Beans, Pink, No. 1 Canada;
- n. Dry Beans, Pinto, No. 1 Canada;
- o. Dry Beans, Small Red, No. 1 Canada;
- p. Dry Beans, Yellow, No.1 Canada;
- q. Faba Beans, No. 3 Canada;
- r. Field Peas, Green/Other, No. 2 Canada;
- s. Field Peas, Yellow, No. 2 Canada;
- t. Flax, No. 1 CW;
- u. Fresh Vegetables, No. 1 Canada;
- v. Hemp Grain, grade not applicable;
- w. Honey, grade not applicable;
- x. Lentils, Green, No. 2 Canada;
- y. Lentils, Red, No. 2 Canada;
- z. Mixed Grain, Average;
- aa. Mustard, Brown, No. 1 Canada;
- bb. Mustard, Oriental, No. 1 Canada;
- cc. Mustard, Yellow, No. 1 Canada;
- dd. Oats, No. 3 CW;
- ee. Potatoes, Chip, grade not applicable;
- ff. Potatoes, Creamer, No. 2 Canada;
- gg. Potatoes, Fry, grade not applicable;
- hh. Potatoes, Seed, Certified Class;
- ii. Potatoes, Table, No. 2 Canada;
- jj. Processing Vegetables, grade not applicable;
- kk. Rye, Fall, No. 2 CW;
- ll. Rye, Spring, No. 2 CW;
- mm. Safflower, Average;
- nn. Silage or Greenfeed Crops, grade not applicable;
- oo. Soybeans, grade not applicable;
- pp. Sugar Beets, grade not applicable;
- qq. Sunflowers, Confectionary, Average;
- rr. Sunflowers, Oil, No. 1 Canada;
- ss. Timothy Seed, Canada Certified No. 2;
- tt. Triticale, Spring, No. 2 Canada;
- uu. Triticale, Winter, No. 2 Canada;
- vv. Wheat, Canada Northern Hard Red, No. 2 CNHR;
- ww. Wheat, Canada Prairie Spring, No. 2 CPS;
- xx. Wheat, Canada Western Special Purpose, No. 2 CWSP;
- yy. Wheat, Durum, No. 2 CWAD;
- zz. Wheat, Extra Strong Red Spring, No. 2 CWES;
- aaa. Wheat, Hard Red Spring, No. 2 CWRS;
- bbb. Wheat, Hard Red Winter, No. 2 CWRW;
- ccc. Wheat, Soft White Spring (for milling), No. 2 CWSWS;
- ddd. Wheat, Soft White Spring (for ethanol), No. 3 CWSWS.

The Designated Grade for Pedigreed crops shall be Canada Certified No. 1 for Cereals, Oilseeds and Pulse crops, Canada Certified No. 2 for Timothy, Alfalfa and Creeping Red Fescue crops, and Certified Class for Seed Potatoes pursuant to the provisions of the *Seeds Act* (Canada) for germination only.

2.02 Perennial Crops

- a. Alfalfa (>50 percent);
- b. Grass (<=50 percent legume);
- c. Legume (>50 percent);
- d. Pure Timothy grown for export market;
- e. Native pasture;
- f. Improved pasture;
- g. Bush pasture;
- h. Community pasture and forestry grazing leases.

ARTICLE 3. EFFECTIVE DATE AND REQUIREMENTS/CONDITIONS OF INSURANCE

3.01 Effective Date of Contract and Effective Date of Insurance Coverage

- a. The Contract commences on the date the Application is signed by the Insured and is accepted by AFSC.
- b. The Contract is a continuous contract that remains in force until it is cancelled or terminated in accordance with the Contract.
- c. No insurance coverage is in effect under the Contract until a Policy under the Contract has been issued by AFSC.
- d. A Policy under the Contract is not continuous and applies only for the terms of the Insurable Period.
- e. Notwithstanding anything else in the Contract, AFSC is not obligated at any time to issue a Policy.

3.02 Insured Eligibility

- a. A person is eligible for crop insurance if that person operates a farm in Alberta and is or will be:
 - i. having an interest in the land in which coverage is being provided;
 - ii. making decisions for cultural and cropping practices for that land;
 - iii. directly responsible for work involved in producing Insurable Crop(s) and for paying for that work; and
 - iv. receiving the majority share of the proceeds from the sale or disposition of Insurable Crop(s).

3.03 Liability if More than One Person is the Insured

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

3.04 Policies

- a. Any Policy issued by AFSC to the Insured will be subject to the terms of the Contract.

3.05 Premiums

- a. The Premium, any surcharges, administration fees and penalties calculated and determined by AFSC are due and payable on the date assessed.
- b. If AFSC pays no Indemnity because of an Uninsured Cause of Loss, AFSC will not refund any portion of the Premium and the Insured is not relieved from paying any outstanding Premium.

3.06 Information to be Provided

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

ARTICLE 4. INDEMNITIES

4.01 Payment of Indemnity

- a. AFSC shall use its best efforts to process and pay Indemnities on a timely basis, but in no circumstances shall AFSC be liable to the Insured or the Insured's agents or creditors for any interest, loss of interest or damage resulting from delays or failure to pay an Indemnity.
- b. Where there is more than one Insured under a Contract and Policy, AFSC will pay any Indemnity to all Insured persons together in one payment, or with written confirmation of all insured persons or interested parties, to any of them severally or separately, as the case may be. AFSC, in its discretion, may elect to pay any Indemnity to each Insured person in proportion to their respective interests as disclosed in the Application or, if their respective interests have not been so disclosed, to each Insured person equally or to the designated Insured.
- c. The Insured must notify AFSC within 15 days of the Statement of Loss if the Insured disagrees with the amount of Indemnity.

4.02 Deductions from Indemnities

- a. By virtue of the Act, AFSC is entitled to deduct from an Indemnity any amount that is due and payable by the Insured to AFSC including but not limited to:
 - i. unpaid Premium due by the Insured to AFSC for programs administered according to the Act;
 - ii. money AFSC has paid to the Insured to which the Insured was not entitled; and
 - iii. arrears outstanding on a loan made by AFSC to the Insured.
- b. If the Insured is entitled to an Indemnity under the Contract or Policy and to compensation for loss due to damage caused by Wildlife, any Wildlife Damage Compensation Program payments will be deducted from any subsequent Indemnity paid under the Contract. No Indemnity will be paid for that loss that is paid by a Wildlife Damage Compensation Program administered by AFSC.
- c. If more than one person comprises the Insured, AFSC maintains the right to treat the Insureds either jointly or severally as AFSC deems appropriate.
- d. AFSC may be required by legal process to deduct amounts from an Indemnity.

4.03 Assignment of Indemnity

- a. The Insured may assign the right to an Indemnity, provided that:
 - i. the Insured has the legal authority to execute such an assignment;
 - ii. the assignment is in a form approved by AFSC;
 - iii. AFSC is in receipt of a copy of the assignment; and
 - iv. the assignment is accepted in writing by AFSC.
- b. Where the Insured has assigned the right to an Indemnity in accordance with the Contract or Policy, payment up to the amount stated in the assignment will be made in the name of the assignee and sent to the assignee.

ARTICLE 5. CONTINUATION, TRANSFER, CANCELLATION OR TERMINATION OF CONTRACT

5.01 Cancellation or Termination of Contract

- a. The Contract may be cancelled by either the Insured or AFSC, provided that notice in writing of such cancellation is received on or before the Decision Date in any year. If this occurs, the Contract shall end on the Decision Date of that year.
- b. In the year of the Application, the Insured may cancel the Contract by giving AFSC written notice within five days of receipt of the Contract.
- c. Where an Insured has given notice of cancellation under subsections (a) or (b), the Insured may apply in writing for reinstatement. An application for reinstatement must be filed on or before the Decision Date immediately following the last calendar year in which the Contract was in force. On acceptance of reinstatement by AFSC, AFSC shall assess: (i) a Premium adjustment and (ii) the Final Individual Normal Yield or the Expected Normal Yield to which the Insured would have been entitled had the Insured not submitted the notice of cancellation.
- d. AFSC may cancel the Contract or any part thereof or any other contract(s) held by the Insured with AFSC at any time when AFSC, in its discretion, determines the Insured has:
 - i. breached any term of the Contract;
 - ii. ceased to qualify as an Insured;
 - iii. failed to cooperate with AFSC;
 - iv. failed to pay premiums when due;
 - v. failed to provide documents to substantiate any claim;
 - vi. misrepresented or failed to disclose any material fact required to be disclosed to AFSC or provided any negligent or misleading information to AFSC relating to any crops seeded on lands covered by the Contract;
or
 - vii. threatened or been abusive to AFSC staff, officers, board members or contractors.
- e. AFSC may cancel the Contract for any year when AFSC, in its discretion, determines the Insured has:
 - i. failed to pay the Premium or any portion of any Premium;
 - ii. failed to reimburse AFSC for any overpayment of Indemnities that AFSC alleges are owed by the Insured to AFSC; or
 - iii. failed to commit to reimburse AFSC for any outstanding Premium or overpayment of Indemnities that AFSC alleges are owed by the Insured to AFSC.
- f. AFSC may cancel the Contract or Policy if AFSC determines the participation in the program is not sufficient.
 - i. At AFSC's discretion, the lack of participation in a program or plan under which insurance is offered may be applicable to the whole area in respect of which the insurance is offered or to particular areas within that whole area.
 - ii. If the Contract is terminated under this section, the Corporation shall within 30 days after terminating the Contract refund to the Insured any unearned premiums that relate to that Contract.
- g. AFSC may cancel the Contract or Policy upon written notice either mailed by registered mail to the Insured 15 days prior to the effective date of cancellation, or personally delivered to the Insured five days prior to the effective date of cancellation.

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

5.02 Sale or Purchase of Acreage

- a. For Annual Crops, the Contract or Policy may be cancelled with AFSC's consent where the Insured sells, leases, or otherwise disposes of all or part of the insured operations on which the Contract applies and provides AFSC with written notice of cancellation and such proof of sale, lease or disposal as AFSC may require. This must be done prior to the filing of the Land Report on or before June 20 for all other crops on land that was not sold.
- b. If the Insured sells acreage of an Insured Crop after April 30 for Annual Crops, or on or after March 1 and before June 1 in the same calendar year for Perennial Crops, the following applies:
 - i. if the Insured advises AFSC in writing of the finalized sale before the Land Report is filed for Annual Crops, or June 1 in the same calendar year for Perennial Crops, and provides evidence of the sale satisfactory to AFSC, then the Coverage for the sold acreage of an Insured Crop will be cancelled and the Premium refunded;
 - ii. if the purchaser provides evidence of the purchase satisfactory to AFSC, and the purchased acreage is the only acreage of an Insured Crop the purchaser operates, then the purchaser may obtain the same insurance Coverage as the Insured's Contract on purchased acreage; and
 - iii. if the purchaser has the same crop insured with AFSC, the purchased acreage of an Insured Crop must be insured subject to the existing Dollar Coverage or Coverage Level and Insurance Price under the purchaser's Contract.
- c. For Annual Crops, if the Insured sells acreage of an Insured Crop after the Land Report has been filed:
 - i. the insurance remains in effect and full Premium is payable.
 - ii. if the sale agreement includes transfer of the Insured Crop to the purchaser the following applies:
 - 1) if the Premium has been paid, an assignment of Indemnity to the purchaser must be completed and filed with AFSC no later than 15 days after the sale is completed; or
 - 2) if the Premium has not been paid, a new Application and Land Report may be completed by the purchaser and filed with AFSC no later than 15 days after the sale is completed.
- d. For Perennial Crops, if the Insured buys acreage of an Insurable Crop on or after March 1 and before June 1 in the same calendar year the following applies:
 - i. the Insured must advise AFSC in writing of the finalized purchase before June 1 in the same calendar year and provide evidence of the purchase satisfactory to AFSC;
 - ii. the newly acquired acreage of an Insurable Crop must be insured subject to existing Dollar Coverage or Coverage Level and Insurance Price under the Insured's existing Policy for the same crop; and
 - iii. the newly acquired acreage of an Insurable Crop may be subject to an acceptance inspection pursuant to the Insuring Agreement.
- e. For Perennial Crops, if the Insured loses leased land on or after March 1 and before June 1 in the same calendar year the following applies:
 - i. the Insured must advise AFSC in writing of the loss of the leased land before June 1 in the same calendar year and provide evidence of the termination satisfactory to AFSC.
- f. If the Insured sells only part of the insured acreage, the Insured must advise AFSC in writing of the finalized sale and AFSC must satisfy itself that the new purchaser's Contract is a bona fide contract.

5.03 Death of an Insured

- a. In the event of the death of an Insured:
 - i. If AFSC is notified prior to the Decision Date that the Insured has died, the Contract or any Policy will be terminated.
 - ii. If AFSC is notified after the filing of the Decision Date that the Insured has died, and the death occurred prior to the Land Report filing deadline for Annual Crops, AFSC in its discretion may continue or terminate the Contract or any Policy.
 - iii. If the Insured dies after the filing of the Land Report for Annual Crops or after the Decision Date for Perennial Crops, the Contract remains in effect until the end of the insurance year.
 - iv. In all cases, if eligible pursuant to the applicable Insuring Agreement(s), the Contract may be transferred to the surviving Spouse.
- b. Subject to Article 4, Section 4.03 above (“Assignment of Indemnity”), the Insured shall not transfer, assign or otherwise dispose of any of the Insured’s rights and benefits under the Contract to any person without AFSC’s prior written consent.

5.04 Continuation

- a. In the case of Annual Crops, the Insured may modify the current Contract on or before April 30 of each year, on a form supplied by AFSC. In the case of Perennial Crops, the Insured may modify the current Contract and specify crop information before the start of the Crop Year on a form supplied by AFSC. If the Insured has not provided this information to AFSC by the Decision Date, the previous year’s Election shall apply.

ARTICLE 6. MISREPRESENTATION OR MISCONDUCT

6.01 Misrepresentation or Misconduct

- a. If the Insured or the Insured’s authorized representative has provided any fraudulent, false or misleading statement or information to AFSC, then:
 - i. the Insured will not be entitled to any Indemnity for the Crop Year in which the fraudulent, false or misleading statement or information is provided; and
 - ii. in its sole and unfettered discretion, AFSC may cancel the Contract, or may cancel any other, or all, contracts of insurance, made between AFSC and the Insured, or made between AFSC and a party related to the Insured for a period of time determined by AFSC.
- b. If AFSC determines that the Insured has engaged in farming practices, management procedures or operations which directly or indirectly contributed to a loss for which the Insured is claiming an Indemnity, AFSC, in its discretion, may:
 - i. reduce Coverage;
 - ii. reduce the amount of an Indemnity by an amount AFSC determines was caused by the said farming practices, management procedures or operations, with such reduction possibly eliminating the payment of an Indemnity altogether;
 - iii. cancel the Contract; or
 - iv. cancel any other, or all, contracts of insurance made between with AFSC and the Insured.
- c. If the loss or damage claimed by the Insured results from reasons stated in subsection (a) or (b), AFSC will not refund to the Insured any portion of the Premium, and the Insured is not relieved from paying any outstanding Premium or any amount due and payable to AFSC.

ARTICLE 7. APPEALS

7.01 Appeals

- a. The Insured's right to appeal decisions made by AFSC pursuant to this Contract is subject to the Act and Regulation and nothing in this section is to be construed as modifying or altering any appeal provision in the Act and Regulation.
- b. An action or proceeding against AFSC for the recovery of insurance money or for any other action relating to the Contract or Policy must be commenced no later than one year after the date of the decision being appealed. To appeal, the Insured must complete the Notice of Appeal, which states the reasons for the appeal, and pay the applicable fee.
- c. The Insured may appeal any matter arising out of the Contract or Policy. The Insured may only appeal a Statement of Loss if the Insured has notified AFSC within the time period required in the applicable Insuring Agreement(s) for a re-inspection.
- d. An Insured who receives an Indemnity is not precluded from filing a notice of appeal within the required one year time limit.
- e. If an Indemnity in respect of the matter under appeal has already been paid, adjustments or revisions to the Indemnity revisions will be made once the appeal has been concluded or withdrawn.
- f. The decision of the appeal committee is final.

ARTICLE 8. SUBROGATION

8.01 Subrogation

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

ARTICLE 9. INTEREST AND REMEDIES

9.01 Interest

- a. The Insured agrees to pay interest at the Prescribed Rate on unpaid Premium, surcharges, administration fees, penalties and other charges. Interest accrues from and including September 1 in the Crop Year and will be payable by the Insured on the first day of each following month until the total balance outstanding is paid.
- b. The Insured shall pay interest at the Prescribed Rate on amounts that AFSC has paid to the Insured to which the Insured was not entitled. Unless interest is waived by AFSC, interest accrues from the date the Insured received the amounts to which the Insured was not entitled.

9.02 Remedies

- a. Payments of the amounts owing to AFSC are enforceable by AFSC in the manner set out in the Act or by remedies generally available to AFSC at law. In addition to the amounts referenced herein, the Insured also agrees to pay all charges, costs or expenses incurred by AFSC, including its administrative and clerical costs, and its legal expenses on a solicitor and his own client full indemnity basis, related to the enforcement of the Contract and Policy.
- b. The rights, remedies and privileges of AFSC under this Contract are cumulative and any one or more may be exercised.

ARTICLE 10. NOTICE AND PAYMENTS

10.01 Notice and Payments

- a. Except as stated otherwise in the Contract and Policy, any notice given under the Contract and Policy is deemed given to the other party if given personally, sent by facsimile or other electronic means or sent by mail as follows:
 - i. if to the Insured, delivered personally or sent to the most recent address, facsimile number or email address of the Insured indicated in AFSC's own records; or
 - ii. if to AFSC, delivered personally to any AFSC office, sent to any AFSC office facsimile number or email address for AFSC set out in AFSC's literature or on its website or where permitted by AFSC, communicated by telephone to any telephone number for AFSC set out in AFSC's literature or on its website.
- b. A Notice of Loss given under the Contract and Policy is deemed given to AFSC if delivered personally, sent by mail, sent by facsimile, email or other electronic means or communicated by telephone to any AFSC branch office.
- c. Except as stated otherwise in the Contract and Policy, any payment to be made under the Contract and Policy must be delivered personally or sent by mail or electronic fund transfer as follows:
 - i. if to the Insured, delivered personally, by direct deposit, or sent to the most recent address of the Insured indicated in AFSC's records; or
 - ii. if to AFSC, delivered personally to any AFSC branch office, via online bill payments, or sent to any AFSC branch office set out in AFSC's literature or on its website.
- d. Any notice or payment under the Contract and Policy sent by ordinary mail is deemed to have been received on the fifth Business Day after the date on which the notice was deposited in a regularly maintained post office receptacle. If there is disruption, strike or interruption of postal service after mailing and prior to receipt or deemed receipt, the notice is deemed to have been received on the fifth Business Day following full resumption of postal service.
- e. A notice sent to AFSC by facsimile, email or other electronic means or communicated to AFSC by telephone is deemed to have been received on the date shown by AFSC's record of receipt.
- f. A notice given or a payment made by personal delivery to any AFSC branch office that is only open for business on a part-time basis is deemed received on the next Business Day following the date of delivery that the AFSC branch office is open for business. Any notice or payment required before the next Business Day that the branch office is open for business must be given or made by one of the other methods provided for in this section.

ARTICLE 11. RECORDS, AUDITS, AND ACCESS

11.01 Records Generally

- a. The Insured shall keep and produce to AFSC immediately upon demand: all fertilizer invoices, crop Production Record(s), seeded acreage records, crop delivery records, and all records of farm income and farm expenses (collectively referred to hereinafter as “the Insured’s records”) for each year that the Insured has a Contract with AFSC and for six consecutive prior fiscal years. If the Insured has not been insured by AFSC for six consecutive prior fiscal years, all of the Insured’s records for each year that the Insured has a Contract with AFSC and for each prior consecutive fiscal year that the Insured has been insured by AFSC.
- b. Without limiting the generality of the forgoing, AFSC shall have immediate access to all of the Insured’s records immediately upon demand made to the Insured by AFSC, and the Insured shall immediately upon such demand deliver all of the Insured’s records to AFSC.
- c. If any of the Insured’s records are in the possession of any other party the Insured hereby consents to the immediate release of all of such records to AFSC, whether or not the Insured’s records contain the Insured’s personal information or are otherwise subject to the provisions of any privacy legislation in Canada or elsewhere. Upon request or demand made to the Insured by AFSC, the Insured shall immediately direct any other party in possession of the Insured’s records to immediately deliver the Insured’s records to AFSC.
- d. At AFSC’s request, the Insured shall submit to examination under oath and produce all documents that relate to the matters in question. Either party may change an address for service by giving written notice of such change to the other party.

11.02 Audits

- a. AFSC reserves the right to inspect, re-inspect, or conduct an audit on the Insured Crop and the Insured’s records and revise the assessment of the crop loss at any time.
- b. If the Insured refuses to allow an assessment or re-inspection, AFSC will refuse to pay any Indemnity under the Contract and Policy for that year.
- c. If the Insured refuses to allow an assessment, re-inspection or audit, all yields for all crops insured that year will be recorded as zero, and AFSC may cancel the Contract or any part thereof, or any other contract(s) held by the Insured with AFSC for a period of time that is at the discretion of AFSC.

11.03 Access

- a. By entering into the Contract with AFSC, the Insured hereby grants AFSC an irrevocable license for the duration of the Contract to access all lands and to all production storage facilities owned or leased by, or otherwise under the direct or indirect control or direction of, the Insured. Pursuant to this license, AFSC shall have an immediate right of entry to such lands or production facilities, without notice to the Insured, sufficient in the absolute discretion of AFSC to allow AFSC to survey, audit, inspect, estimate and examine the Insured’s:
 - i. Insurable Crop(s);
 - ii. production;
 - iii. Carryover Inventory;
 - iv. production storage facilities; and
 - v. any and all Insured’s records, and any and all documents relating to the Insured’s records, or the information contained in the Insured’s records.

Any such access by AFSC shall not constitute a trespass on any of the Insured’s property.

- b. The Insured agrees that AFSC and any person acting for AFSC may have access to the Insured's records to which the Contract and Policy relates and for the purposes of determining any information required under the Contract and Policy.
- c. Upon AFSC's request for access to Production Record(s) and other records, the Insured must produce the records within a timeframe set out by AFSC.
- d. AFSC may at any time request that any person provide AFSC with Production Record(s) relating to the Contract and Policy for any Crop Year, and the Insured, by entering into the Contract, is deemed to have authorized and consented to the release of the required information to AFSC.
 - i. If AFSC is unable to obtain records from persons other than the Insured, the Insured shall take necessary steps to obtain the information and produce it to AFSC at the cost of the Insured.
- e. AFSC reserves the right to check the production of all insured and uninsured Associate farming operations, including access to land, crops, grain storage facilities, and any other documents or records required.
 - i. The Insured shall arrange for AFSC to have access to all production, including that of uninsured Associate(s).

11.04 Failure to Comply

- a. If the Insured fails to comply with any part of Article 11, AFSC may refuse to pay any Indemnity until the Insured has remedied the failure to comply.

ARTICLE 12. SEPARATE CONTRACTS

12.01 Two or More Contracts

- a. AFSC may separate an existing Contract into two or more Contracts if:
 - i. there is a major change in distance between land locations by the addition of purchasing or renting land; or
 - ii. AFSC deems there to be a significant difference in productivity between the land locations.
- b. Production from two or more Contracts must be kept separate in sales and storage. Failure to do so may result in production being set to Coverage, prorated, or Uninsured Cause of Loss applied.

ARTICLE 13. AMENDMENTS, WAIVER OR ALTERATION

13.01 Changes in Contract of Insurance

- a. AFSC reserves the right to add to or amend the Contract and Policy to change the Insurable Crop(s), Premium, Coverage, Risk Area, Insurance Price, and other terms and conditions of the Contract and Policy at any time before or during the term of the Contract and Policy.
- b. Any changes to the Contract and Policy and to anything else relating to the Contract are deemed to be in effect 15 days after the earlier of publication of the Contract on the AFSC public website or notice being given to the Insured.
- c. The Contract and Policy shall be subject to the provisions of the Act and Regulation and any amendments made to the Act or Regulation except for the definition of a term where the Contract or Policy alters the definition of a term that is in the Act or Regulation.

13.02 Waiver or Alteration

- a. No term or condition of the Contract or Policy is deemed to be waived or altered unless the waiver or alteration is expressed in writing in a form authorized by AFSC and signed by a duly authorized representative of AFSC. An approved waiver by AFSC only applies to the specific item waived at the specific time and may not serve as a waiver of any breach of the Contract or Policy.
- b. Any amendments to the Contract or Policy must be in writing by AFSC to be effective.
- c. The rights, remedies and privileges of AFSC under the Contract and Policy are cumulative and any one or more may be exercised.

ARTICLE 14. MISCELLANEOUS

14.01 Authorization

- a. If the Insured authorizes a representative to act on the Insured's behalf, the representative must be authorized in writing on a form acceptable to AFSC.
- b. Any notice, report, or document may be completed and signed by the Insured's properly authorized representative, and is binding on the Insured.

14.02 Binding Effect

- a. The Contract and Policy shall be for the benefit of and binds the successors and assigns of the parties.

14.03 Canadian Currency

- a. All references to dollar amounts in the Contract and Policy are in Canadian currency.

14.04 Conflict with the Insuring Agreement

- a. Any conflict between these Terms and Conditions and an Insuring Agreement is to be resolved in favour of the Insuring Agreement.

14.05 Governing Law

- a. The Contract and Policy shall be governed by the laws of the Province of Alberta.

14.06 Severability

- a. If any provision of the Contract and Policy is illegal, invalid or unenforceable, that provision shall be severable and the remaining provisions of the Contract and Policy shall remain in full force. They will be binding upon the parties as though such unenforceable provision had never been included.

14.07 Time is of the Essence

- a. Time is of the essence of the Contract.

IN WITNESS WHEREOF
AFSC has signed this Contract.

AGRICULTURE FINANCIAL SERVICES CORPORATION

A handwritten signature in black ink, appearing to read "Darryl Kay", is written over a faint rectangular stamp.

Per:
Darryl Kay, Chief Executive Officer