

Canada-Alberta AgrilInsurance Products

FRESH VEGETABLE INSURING AGREEMENT

For 2026 Annual Crops



TABLE OF CONTENTS – FRESH VEGETABLE INSURING AGREEMENT

ARTICLE 1. DEFINITIONS	3
ARTICLE 2. SPECIFICATIONS	4
2.01 Coverage	5
2.02 Trending	5
2.03 Cushioning	5
2.04 Summerfallow (fallow) / Stubble Ratio	5
2.05 Irrigation Coverage	6
2.06 Coverage Restrictions	6
2.07 Pricing	6
2.08 Premium	6
2.09 Election and Renewal	7
ARTICLE 3. CONDITIONS	8
3.01 Land Restrictions	8
3.02 Minimum Insurable Acres	8
3.03 Acceptance Inspection	8
3.04 Restrictions	8
ARTICLE 4. REPORTING DEADLINES	9
ARTICLE 5. INSURED ACRES	10
5.01 Insured Acres Details	10
ARTICLE 6. LAND REPORT	10
6.01 Land Report Details	10
ARTICLE 7. STATEMENT OF COVERAGE AND PREMIUM	11
7.01 Statement of Coverage and Premium Details	11
ARTICLE 8. CLAIMS	12
8.01 Claim Deadlines and Notice of Loss	12
8.02 Statement of Loss and Inspection	12
8.03 Re-Inspection	12
8.04 Insured Crop Put to Another Use	13
8.05 Inspection Procedures	13
8.06 Uninsured Causes of Loss	14
8.07 Service of Documents	14
8.08 Deferrals	14
ARTICLE 9. PRODUCTION	15
9.01 Harvested Production Report (HPR)	15
9.02 Production Assessment	15
9.03 Payment by Declaration	15
9.04 Advances	16
9.05 Post Harvest	16
9.06 Production Reviews	16
9.07 Prorating	16
ARTICLE 10. INDEMNITY	17
10.01 Period of Insurance for Indemnity Assessment	17
10.02 Calculation of Indemnity	17

FRESH VEGETABLE INSURING AGREEMENT

AFSC will indemnify the Insured against damage caused by Designated Perils to fresh vegetables pursuant to this Insuring Agreement. This Insuring Agreement incorporates by reference, and is subject to, the Terms and Conditions and Benefits. The definitions in the Terms and Conditions will apply unless the same term is otherwise defined in this Insuring Agreement.

ARTICLE 1. DEFINITIONS

“Insurable Crop” means Beans, Broccoli, Cabbage (green or red), Carrots, Cauliflower, Corn, Cucumbers (pickling or slicing), Onions (yellow cooking), Pumpkins – Small, Pumpkins – Medium, Pumpkin – Large, Rutabagas, Winter Squash – Small, Winter Squash – Medium, or Winter Squash - Large.

“New Breaking” means land which at any time during the preceding 12 months prior to seeding, planting or transplanting fresh vegetables has grown cultivated grass or legume, or has been in brush, timber or native sod.



ARTICLE 2. SPECIFICATIONS

Insurable Crop	Designated Grade	End Uses Fresh (F), Pickling (P), Slicing (S)	Insurable under Dryland (Dry) Irrigated (Irr)	Reseeding Benefit (\$ per acre) Minimum one tenth acre blocks	Insurable Risk Area (RA) Restrictions Horticulture Risk Area Map displaying eligible insuring areas is located on afsc.ca	Seeding Deadline Crops seeded after this date are not insurable
Beans	1 CAN	F	Irr	240	N/A	RA 7, 9 May 30 RA 2-6, 8 June 15 RA 1 June 30
Broccoli	1 CAN	F	Irr	385	N/A	Direct Seed: RA 3, 4, 8 May 30; RA 1, 2, 5, 6 June 15 Transplant: July 15
Cabbage	1 CAN	F	Dry; Irr	300	RA 1-5 & 9 must irrigate	Late Varieties Direct Seed May 10 Early Varieties Direct Seed May 30 Transplant June 30
Carrots	1 CAN	F	Dry; Irr	350	RA 1-5 & 9 must irrigate	June 10
Cauliflower	1 CAN	F	Irr	335	Direct Seed RA 1-6 & 8 Transplant in RA 1-9	Direct Seed: RA 3, 4, 8 May 15 RA 1, 2, 5, 6 May 30 Transplant: June 30
Corn	1 CAN	F	Dry; Irr	160	RA 1-5 & 9 must irrigate	Dryland: May 20 Irrigated: May 30
Cucumbers	1 CAN	P	Irr	160	Insure in RA 1, 2, 5, 6 & 8	RA 2, 6 May 30 RA 1, 5, 8 June 15
Cucumbers	1 CAN	S	Irr	160	Insure in RA 1, 2	RA 2 May 30 RA 1 June 15
Onions	1 CAN	F	Dry; Irr	641	RA 1-5 & 9 must irrigate	Dryland: May 5 Irrigated: May 10
Pumpkins – Small	1 CAN	F	Irr	100	Insure in RA 1, 2	Direct seed: May 30 Transplant: June 6
Pumpkin – Medium	1 CAN	F	Irr	100	Insure in RA 1, 2	Direct seed: May 30 Transplant: June 6
Pumpkin – Large	1 CAN	F	Irr	100	Insure in RA 1, 2	Direct seed: May 30 Transplant: June 6
Rutabagas	1 CAN	F	Dry; Irr	30	RA 1-5 & 9 must irrigate	June 30
Winter Squash – Small	1 CAN	F	Irr	145	Insure in RA 1, 2	Direct seed: May 30 Transplant: June 6
Winter Squash – Medium	1 CAN	F	Irr	145	Insure in RA 1, 2	Direct seed: May 30 Transplant: June 6
Winter Squash – Large	1 CAN	F	Irr	145	Insure in RA 1, 2	Direct seed: May 30 Transplant: June 6

2.01 Coverage

Coverage is a fundamental part of any insurance Policy and is based upon a long-term average yield.

- a. **Individual Coverage:** A minimum of five years of records is required to calculate individual coverage. Crops with fewer than five years of records will be considered to be in the start-up phase.
- b. **Start-up Phase:** Missing yields are filled in with the historical average yield for the townships in which the farm is located. If the Insured does not have any yield records available, Coverage will be based entirely on the historical average for the township(s) where the farm is located.
- c. **Average Yield:** An Insured's average yield for a crop type is based on the average of the yield records AFSC has recorded for the crop. Yield records are gathered in different ways, including:
 - i. Harvested Production Reports (HPR) provided by the Insured;
 - ii. Yield information gathered by AFSC adjusters who visit the farm; and
 - iii. Production reviews conducted by AFSC adjusters to confirm the accuracy of HPR information.
- d. **One Year Lag:** Actual yields are not available immediately for use as it takes time to gather and verify information. Yields produced and reported in the current year will not be available to calculate Coverage for the following year; it will first be used to set Coverage the second year.

Rules for yield records use:

- i. A blend of available yield records and the historical yields for the Horticulture Risk Area in which the Insured farms when there are four or fewer yield records available.
- ii. The average of up to 15 of the most recent yield records for a crop when there are five or more yield records available.
- iii. For Insured Crops that are less than 30 acres the Harvested Production for the Insured Crop will be excluded from the calculation of the Insured's Coverage.

2.02 Trending

- a. 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 are adjusted by a trend factor. Older yield records will be increased more than recent yield records. Adjustments are made by multiplying individual actual or cushioned yields by a trend factor. The trend factor is an amount which reflects the average annual increase in yield for a specific crop in a specific Horticulture Risk Area.

2.03 Cushioning

- a. Cushioning has the effect of stabilizing Coverage by reducing year-to-year fluctuations. Unusually low yield records are adjusted upward for the purposes of calculating the Final Individual Normal Yield for a crop. When a crop yield is less than 70 percent of the Final Individual Normal Yield, the actual yield is cushioned and replaced by 70 percent of the Final Individual Normal Yield for that crop for that year. The cushioned yield is used to set future Coverage whereas the actual yield is used to calculate an Indemnity.

2.04 Summerfallow (fallow) / Stubble Ratio

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

2.05 Irrigation Coverage

- a. Insurable Crop(s) grown on irrigated land are eligible for separate Coverage if:
 - i. those crops are declared as irrigated;
 - ii. there is an adequate source of water;
 - iii. the Insured has reliable irrigation equipment;
 - iv. adequate irrigation water is applied on a timely basis; and
 - v. the Insured maintains an up-to-date log showing the dates and approximate amounts of rainfall and irrigation water applied to each Insured Crop.
- b. AFSC may reclassify the Insured Crop as grown on Stubble or Summerfallow on dryland, or apply Uninsured Causes of Loss if:
 - i. the Insured fails to fulfill all or part of the conditions in subsection (a) above; or
 - ii. drought is considered by AFSC to be a contributing cause of loss.
- c. Irrigated acres are insured separately from dryland acres of the same crop:
 - i. Acres must be identified as irrigated or dryland on the Land Report; and
 - ii. Harvested Production from irrigated and dryland acres must be stored and reported separately.

2.06 Coverage Restrictions

- a. AFSC, in its discretion may limit, restrict, exclude or deny Coverage, in whole or in part, for the following:
 - i. in the event AFSC determines by the application deadline that an Insured has a high risk of Production Loss;
 - ii. where the land is subject to repeated flooding or where excess moisture is a recurring problem;
 - iii. major changes are made in management practices, acreage, land location, confirmed yields or experience;
 - iv. the Insured makes a change that increases AFSC's risk without notifying AFSC thereof and AFSC accepting the same risk; or
 - v. any other practice or action taken by the Insured that would prove detrimental to or limit production of the Insured Crop.

2.07 Pricing

- a. **Spring Insurance Price:** In the spring, AFSC forecasts expected crop prices for the coming Crop Year.

2.08 Premium

- a. **Minimum Premium:** There is a minimum \$25 of total Premium required per insurance Policy.
- b. **Rates:** 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, Horticulture Risk Area, practice and Coverage Level. The Insured's Premium is calculated by multiplying the Dollar Coverage by the Insured's share of the premium rate and applying any applicable premium adjustments.
- c. **Cost Share:** Federal and provincial governments support AgrilInsurance programs by paying all administration expenses and sharing premium costs with the Insured.

d. **Adjustments & Discounts:**

Premium Discount or Surcharge	+ / - 38%	Ranges from minus 38% up to plus 38% based on loss experience
Continuous Participation Discount	2%	Applies after the first insurance year unless the Insured does not have an active Policy or losses for one year then will be zeroed and needs to be earned again
All Crops Insured Discount	3%	Applies when all eligible Annual Crops grown are insured
Early Payment Discount	2%	Applied to Premium payments received by AFSC the later of June 25 or within 15 days of each versions billing date
Insured Acres Discount	2, 4 or 6%	Based on the number of acres insured; 2% for 320 – 639 acres; 4% for 640 – 1280 acres; 6% for greater than 1,280 acres

2.09 Election and Renewal

- a. **Application:** New clients must apply for insurance on or before April 30 and AFSC will evaluate eligibility for insurance. Producers are required to demonstrate their legal, financial and operational independence, and can contact AFSC for application documents.
- b. **Renewal Process:** Insurance remains in effect from year to year therefore an Insured who elected insurance in the previous year will be automatically renewed based upon the previous year's information. Personalized renewal notices are available in March. The Insured is responsible to review their 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.
- c. **Coverage Level:** Coverage Levels of 50, 60, 70 or 80 percent can be elected.
- d. **Pumpkin and Squash Categories:** Pumpkin and Squash each have three separate crop categories based on the average vegetable weight in kilograms:
 - i. Pumpkins:
 - 1) Small is less than 1.4 kg;
 - 2) Medium is between 1.4 to 7 kg;
 - 3) Large is greater than 7 kg.
 - ii. Winter Squash:
 - 1) Small is less than 1.2 kg;
 - 2) Medium is between 1.2 to 3 kg;
 - 3) Large is greater than 3 kg.
- e. **Declared Acres:** are the total number of acres seeded and those intended to be seeded to Annual Crops, including Silage and Greenfeed crops, whether the acres are to be insured or uninsured.

- f. **Hail Endorsement:** offers spot-loss coverage and may be elected on a crop by crop basis at 60, 70 or 80 percent Coverage Levels by April 30. Refer to the Hail Endorsement Insuring Agreement for additional information.
- g. **Auto-Elect Straight Hail Insurance:** may be elected on a crop by crop basis by April 30. When elected, a two percent premium discount will be applied on the Straight Hail Statement of Coverage and Premium.

**Straight Hail Insurance can be purchased on a field by field basis until July 31.
Refer to the Straight Hail Contract of Insurance for additional information.**

ARTICLE 3. CONDITIONS

3.01 Land Restrictions

- a. Insurable Crops seeded on New Breaking are not eligible for Coverage.

3.02 Minimum Insurable Acres

- a. A minimum of two acres for each elected Insurable Crop, insured to one tenth of an acre, is required to be eligible for Coverage.

3.03 Acceptance Inspection

- a. An acceptance inspection is required for all elected Insurable Crops under this Insuring Agreement to determine eligibility for Coverage.

3.04 Restrictions

- a. Savoy and Chinese cabbage are not eligible for Coverage under this Insuring Agreement.
- b. The Variable Price Benefit is not available under this Insuring Agreement.

ARTICLE 4. REPORTING DEADLINES

If a reporting deadline date falls on a weekend, the deadline will be extended to the next Business Day.

Last Date to complete the task	Task	Additional information
April 30	Apply for, make changes to, cancel annual crop insurance	Elected options include: <ul style="list-style-type: none"> • Insurable Crops • Coverage Levels • Hail Endorsement • Declared Acres • Auto-Elect Straight Hail Insurance
June 1	Amend Declared Acres	With written proof of land purchased, rented, or sold between May 1 and May 31.
June 20	<ul style="list-style-type: none"> • File Land Report • Complete work for Reseeding Benefit • Report acres for Unseeded Acreage Benefit 	<ul style="list-style-type: none"> • See Land Report section for requirements when filing your Land Report • Refer to the Benefits document for information on Reseeding Benefit and Unseeded Acreage Benefit
June 25	File Land Report with late filing fee	Failure to file by this deadline results in breach of Contract and the Insured being unable to participate in any AFSC insurance programs for current and following year. <ul style="list-style-type: none"> • See Land Report section for additional information.
November 15	File Harvested Production Report (HPR)	See Harvested Production section for requirements when filing your HPR.
December 31	<ul style="list-style-type: none"> • File Harvested Production Report (HPR) with late filing fee • Pay any current year's outstanding accounts 	<ul style="list-style-type: none"> • Failure to file an HPR by this deadline will result in a yield recorded as zero and no Indemnity will be calculated. • To avoid negatively affecting your credit and to avoid a cash-up-front on Premium for the following insurance year. Insureds can contact their AFSC branch office to make payment arrangements.

Other Important Deadlines

Document or Incident	Task	Additional Information
Statement of Coverage and Premium (billing)	Review your billing to ensure it is accurate and complete. Report any errors and omissions within 15 calendar days of receipt.	AFSC reserves the right to deny additional liability when information contained on the billing reflects what was reported.
Re-Inspection	Request re-inspection within seven days of the inspection.	See Claims section for additional information.
Putting Insured Crops to another use	Contact AFSC five days in advance of putting an Insured Crop to a use other than harvesting as fresh vegetables.	See Claims section for additional information.

ARTICLE 5. INSURED ACRES

5.01 Insured Acres Details

- a. All eligible acreage and seeded acreage of an elected Insurable Crop (dryland and irrigated), whether owned, rented or crop-shared, must be insured. Acres insured under this Insuring Agreement are not insurable under any other crop insurance program, except for applicable Endorsements or where AFSC has consented in writing.

Cash rent and crop-share landlords are not eligible for insurance as they are not responsible for the agronomic decisions and do not receive the majority of the proceeds from the sale of the crop.

- b. If AFSC determines acres of an Insured Crop and the crop type and/or acres differ from those reported by the Insured, the following will apply:
 - i. When completing acceptance inspections, reseed inspections, unseeded inspections or acreage verification, AFSC will issue a revised Statement of Coverage and Premium based on the crop type and actual number of seeded acres calculated by AFSC and any Indemnity calculation shall be based on the crop type and actual acres determined.
 - ii. When completing all other inspections:
 - 1) Notwithstanding Acreage Tolerance, AFSC, in its discretion, may revise the Statement of Coverage and Premium.
 - 2) AFSC is not obligated to pay an Indemnity on the additional acres if a loss has previously occurred.
 - 3) AFSC may remove the All Crops Insured Discount if additional acres are outside of Acreage Tolerance.
- c. AFSC is not required or in any way obligated to revise or adjust its calculation of insured acres for any preceding year.

ARTICLE 6. LAND REPORT

6.01 Land Report Details

- a. A Land Report must be filed once seeding is finished and no later than June 20.
- b. The Insured must report all annual spring and fall crops on land that is owned, rented, or crop-shared and include the following information for each field:
 - i. legal land description for the location including the part;
 - ii. number of seeded acres, or the number of acres intended for Summerfallow in the current year;
 - iii. whether the field is to be insured or uninsured;
 - iv. crop type seeded;
 - v. insured end use (e.g. fresh);
 - vi. whether the acres are seeded on Stubble or Summerfallow; and on dryland or irrigated land;
 - vii. seeding date;

- viii. cropping and tillage practice;
- ix. report acres too wet to seed by quarter section, including whether fertilizer had been incorporated or not, and if the land is irrigated or not; and
- x. summary of insured acres for each crop.

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.

- c. Failure to file a Land Report will result in all insurance Policies being cancelled and restrictions on future year's program participation. Where the Insured fails to file a Land Report by the June 20 deadline AFSC may, in its discretion:
 - i. accept the Land Report, if received by June 25, and assess a late filing fee to be paid by the Insured in full before the start of the next Crop Year;
 - ii. if due to extenuating circumstances, AFSC has the discretion to determine the acreage seeded by the Insured and file a Land Report for the Insured which shall be binding on the Insured; or
 - iii. cancel this Contract or any part thereof for the current Crop Year, in which case the Insured will be unable to participate in any AFSC insurance programs for the current and following year with the following exceptions:
 - 1) Livestock Price Insurance can be purchased in the current year; and
 - 2) Straight Hail Insurance can be purchased in the following year.
- d. AFSC reserves the right to reject requests for changes to the Land Report after the June 20 filing deadline.

ARTICLE 7. STATEMENT OF COVERAGE AND PREMIUM

7.01 Statement of Coverage and Premium Details

- a. Information provided by the Insured is used to generate a Statement of Coverage and Premium, which explains Coverage and Premium and states AFSC's Coverage limit.
- b. The Insured should review their Statement of Coverage and Premium carefully to ensure it is complete and accurate. Errors and omissions must be reported to AFSC within 15 calendar days of receipt.
- c. AFSC reserves the right to deny additional Coverage when information contained on the Statement of Coverage and Premium reflects what is reported on the Land Report.

ARTICLE 8. CLAIMS

8.01 Claim Deadlines and Notice of Loss

- a. The Insured is required to submit a Notice of Loss to initiate a claim. The required timeframes for the Notice of Loss and the deadline to initiate a claim are as follows:
 - i. Reseeding Benefit: contact AFSC prior to taking acres intended for reseeding out of production. Refer to Benefits document for information.
 - ii. Unseeded Acreage Benefit: via the Land Report on or before June 20.
 - iii. Harvested Production Report (HPR): on a form acceptable to AFSC once harvest is complete and not later than November 15.
 - iv. Unharvested Acreage Benefit: via the HPR, report the number of unharvested acres by November 15, last date to report is on or before December 31.
 - v. Post harvest claim: via the HPR, losses must be reported before December 31 in the calendar year in which the loss is claimed to have occurred.
- b. If the Insured is late in filing a Notice of Loss AFSC may reject the claim.

8.02 Statement of Loss and Inspection

- a. Upon receipt of a claim for loss:
 - i. where AFSC processes a claim, AFSC will serve the Insured with a Statement of Loss.
 - ii. where AFSC's process is to conduct an inspection, following the inspection, AFSC will serve the Insured with a copy of the Inspection Report.
- b. If the Inspection Report results in no payment, or if as a result of the Inspection Report the claim for loss is withdrawn by the Insured, the Inspection Report will be considered to be the final Statement of Loss for the claim by the Insured and no further Statement of Loss will be issued by AFSC.
- c. If the Insured does not, within seven days of service of the Inspection Report, advise AFSC of the Insured's disagreement with the report or does not request a re-inspection, AFSC will issue the Statement of Loss according to the Inspection Report.
- d. When AFSC has conducted an inspection and issued an Inspection Report and a Statement of Loss, and the Insured has a dispute relating to the Statement of Loss and requests a re-inspection, AFSC will only review the Statement of Loss if the Insured notifies AFSC of the request for a re-inspection within seven days from the day that the Insured is served with the Inspection Report.

8.03 Re-Inspection

- a. After an inspection, pursuant to Section 8.02 (c) if the Insured, within seven days of service of the Inspection Report:
 - i. advises AFSC of the Insured's disagreement with the report; and
 - ii. requests a re-inspection:

AFSC will conduct a re-inspection, and no Statement of Loss will be issued until after the re-inspection has been conducted. AFSC reserves the right to charge a fee for Insured requested re-inspection of crops, or re-grading of samples.

8.04 Insured Crop Put to Another Use

- a. Acreage of Insured Crop(s) Put to Another Use must first be released by AFSC.
- b. The Insured is required to contact AFSC five days in advance of putting an Insured Crop to a use other than harvesting as fresh vegetables to request an appraisal and release of acres. The Insured will provide the following information:
 - i. The number of acres intended to be put to an alternate use;
 - ii. The reason for the alternate use;
 - iii. An estimate of the yield.
- c. Depending on the estimate of yield, the acres may be released from an AFSC branch office, or an adjuster may complete a field inspection to determine the yield appraisal before acres are released.
- d. AFSC may defer the appraisal on a damaged Insured Crop that the Insured intends to Put to Another Use.
- e. When the Insured has accepted the Appraised Potential Production on any portion of an Insured Crop, no further appraisal will be made on that portion unless, and at the sole discretion of AFSC, substantial damage occurs before the Insured Crop can be Put to Another Use within a reasonable period of time.
 - i. An additional inspection may be subject to a re-inspection administrative fee.
- f. Where an Insured Crop is Put to Another Use without first being assessed and/or released by AFSC, AFSC will deem the Appraised Potential Production to be zero, and the Uninsured Causes of Loss to be equal to Coverage on acres Put to Another Use.
- g. The Insured must not dispose of an Insured Crop or Put to Another Use without AFSC releasing acres, as it may negatively impact their insurance. Once authorized by AFSC, the Insured may leave Inspection Strips or Exclosures.
- h. Where Inspection Strips or Exclosures are authorized by AFSC, the Insured is required to leave Inspection Strips or set up appropriate Exclosures, or AFSC will deem the Appraised Potential Production to be zero, and the Uninsured Causes of Loss to be equal to Coverage on the acres Put to Another Use.

8.05 Inspection Procedures

- a. The procedures set out in AFSC's adjusting procedure manuals shall be used in the assessment of production and insurable loss of an Insured Crop.

AFSC recommends the Insured or Authorized Representative accompany adjusters during on-farm inspections.

8.06 Uninsured Causes of Loss

- a. 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. Common examples where Uninsured Causes of Loss may be applied include, but are not limited to:
 - i. unapproved, untimely or improperly applied products or methods for the:
 - 1) control of weeds,
 - 2) control of insects,
 - 3) control of plant diseases,
 - 4) enhancement of plant development;
 - ii. inadequate machinery, labour or failure to complete repairs to equipment on a timely basis;
 - iii. machinery and equipment failure due to mechanical defects or improper operations;
 - iv. 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;
 - v. untimely harvest practices for the area and the crop;
 - vi. improper harvest management;
 - vii. damage by domestic animals or poultry;
 - viii. neglect or theft of the Insured Crop;
 - ix. negligent or wrongful acts of a third party (e.g. spray drift or stray animals);
 - x. damage after an inspection by AFSC or while in storage, including spoilage;
 - xi. grade reduction before an inspection by AFSC if stored production is not weather protected; or
 - xii. any Designated Peril deemed avoidable by AFSC.
- 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.

8.07 Service of Documents

- a. Service of the Inspection Report or a Statement of Loss may be effected on the Insured by:
 - i. personal service;
 - ii. ordinary mail or registered mail, in which case service is deemed to have been effected;
 - 1) seven days from the date of mailing if the document is mailed in Alberta to an address in Alberta, or
 - 2) 14 days from the date of mailing if the document is mailed to an address located outside of Alberta; or
 - iii. by facsimile, email or other electronic means in accordance with AFSC's most recent records for the Insured.
- b. Where there is more than one Insured in respect of the crop loss for which an inspection has been made, service of the Inspection Report or Statement of Loss on one of the Insured is deemed to be service on all the Insureds.

8.08 Deferrals

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

ARTICLE 9. PRODUCTION

9.01 Harvested Production Report (HPR)

- a. An HPR must be submitted online or to an AFSC branch office when harvest is complete, and no later than November 15.
- b. A late filing fee will be applied for HPRs submitted after the November 15 deadline.
- c. The Insured is required to provide:
 - i. Uninsured production;
 - ii. Field documentation information including preharvest, unharvested or abandoned acres:
 - 1) Unharvested and abandoned acres require a reason, land location, number of acres and yield estimate.
 - iii. Insured production by field;
 - iv. Gross stored production;
 - v. Net delivered or sold production;
 - vi. Date harvest was completed;
- d. Notification of an insurance claim and any required loss adjustment procedures are based on the information provided by the Insured on the HPR.
- e. If the HPR is not submitted by the Insured before December 31, the yield will be recorded as zero and no Indemnity will be calculated.
- f. The Insured may request corrections or revisions to the existing HPR record for a Crop Year, up to August 15 of the next Crop Year for annual crops, by providing supporting documentation that is satisfactory to AFSC.

9.02 Production Assessment

- a. Where, after the HPR is filed, Harvested Production of an Insured Crop is less than total Coverage, AFSC will determine Adjusted Production.
- b. The Adjusted Production of delivered or sold Harvested Production of an Insured Crop will be assessed based on the final cash purchase tickets.
- c. When irrigated acres are in a Production Loss, the Insured will be asked to provide an irrigation log showing dates of precipitation and approximate amounts of water applied.

9.03 Payment by Declaration

- a. If, based on the production reported on the HPR, an Insured Crop is in a Production Loss and meets a set of criteria determined by AFSC, the Insured may be eligible to be paid for the loss. AFSC will calculate the potential payment, contact the Insured to verify the information reported on the HPR, and when eligible, process the Indemnity without an on-farm inspection.

9.04 Advances

- a. If, based on the production reported on the HPR, an Insured Crop is in a Production Loss, the Insured may have the option of accepting an advance payment prior to AFSC completing an on-farm inspection. Advances are determined on a crop by crop basis, and the Insured can choose which crops they want an advance on.
 - i. **Post Harvest Advance:** The Insured can receive a 50 percent advance payment on the estimated Production Loss prior to Quality Loss. Once the post harvest claim is finalized, the Insured will receive the remaining Indemnity including any Quality Loss.
 - ii. **Preliminary Payment:** if eligible, the Insured can receive a preliminary payment.
 - 1) A preliminary payment takes the Insured's reported production without Quality Loss and adds 20 percent to it to mitigate the risk of overpayments.
 - 2) AFSC then calculates the difference between the estimated production and Coverage, and pays the preliminary payment based on the estimated Production Loss.
 - 3) Once the post harvest claim is finalized, AFSC recalculates the Production Loss based on the Harvested Production determined during the on-farm inspection, and the Insured will receive the remaining Indemnity. including any Quality Loss.
- b. The advance Indemnity must exceed a minimum amount, can be deferred, and will be applied to amounts owing to AFSC and assignments.
- c. If there is an overpayment due to differences between the Insured's information reported on the HPR, and the Harvested Production determined during the post harvest inspection, repayment will be required within 30 days of notification.

9.05 Post Harvest

- a. Post harvest claims are triggered based on the information provided by the Insured on the HPR.
- b. An AFSC adjuster is assigned to the claim and will make an appointment for an on-farm inspection. The adjuster will:
 - i. verify and/or measure the number of acres insured;
 - ii. identify acres harvested; and
 - iii. determine the quantity and quality of the crop harvested by sampling storage facilities and reviewing production sales receipts.

9.06 Production Reviews

- a. To ensure program integrity, AFSC retains the right to complete production reviews. Some production reviews are selected based on an identified risk, while others are randomly generated.

9.07 Prorating

- a. AFSC may combine production or calculate production from the Insured's crop in a manner determined by AFSC including but not limited to combining, combining and pro-rating, and pro-rating of production.
- b. 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. stored with production from uninsured crops), AFSC may assign Uninsured Causes of Loss up to Coverage or prorate production.

- c. AFSC may prorate or combine the production if the Insured fails to retain:
 - i. insured production separate from uninsured production;
 - ii. insured production separate from production of another producer;
 - iii. irrigated production separate from dryland production; or
 - iv. stored production separately for each Policy where there are two or more of the same Policy type for one business.

ARTICLE 10. INDEMNITY

10.01 Period of Insurance for Indemnity Assessment

- a. An Indemnity shall be calculated for the period commencing with the time the Insurable Crop is seeded and shall end at the earlier of:
 - i. when the Insured Crop is put to a use other than that to which it was originally intended;
 - ii. when the Insured Crop is harvested; or
 - iii. November 30 of the year in which the Insured Crop would normally have been harvested unless such times are extended by AFSC, in its discretion.
- b. If the Insured harvests production of an Insured Crop after November 15, that production is to be reported and is included in the Insured's Harvested Production for the year in which the crop would normally be harvested.

10.02 Calculation of Indemnity

- a. **Stage 1 on or Before June 20** (Refer to the Benefits document)
- 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:
$$\{(Coverage - Adjusted Production) \times Insurance Price\} - \text{Wildlife Damage Compensation Program payments.}$$
 - ii. Before AFSC pays a post harvest Indemnity, the Insured must file a Harvested Production Report.
 - iii. In no case, for an Insured Crop, shall the combined Indemnities under any Insuring Agreement (including Hail Endorsement), Wildlife Damage Compensation, and Unharvested Acreage Indemnity exceed total Dollar Coverage for that crop under this Contract.