



# HOW TO READ YOUR INSURANCE ESTIMATE

The cover page provides you with information about your premium and loss history for the years shown on the document, and about the land base you farm, as well as a comparison of the premium rates for Hail Endorsement and Straight Hail. Hail Endorsement is subsidized by the Federal and Provincial government, while Straight Hail is not.

**Summary Information** - Although participants shouldn't expect, or want to have to collect from insurance, it is sometimes easy to forget the years that you did, and many farmers have collected enough in one year to pay their insurance premium for many years after. AFSC insurance is important to both Alberta's urban and rural communities.

**Your Land Records by Township** - This column identifies the total acres you reported that were seeded to annual crops, summerfallow, or that were too wet to seed in the previous year. We combined the information by township.

**Discounts Available** - Read this section carefully, it may impact your choices. You may be eligible for additional discounts. These discounts do not apply to the Hail Endorsement or Spring Price Endorsement portion of your Annual Insurance premiums.

- **2% Continuous Participation** - discount is applied when insuring in consecutive years. It is lost if you drop out and return later.
- **3% All Crops** - when you insure all eligible crops you seed. Clients will not receive the all crops discount if they do not provide all insured and uninsured information on their Land Report. Offices are not required to follow up with clients if information is missing
- **Insured Acres discount** - is applied when the number of insured acres fall into the following categories:
  - o 2% for 320-639 acres
  - o 4% for 640-1280 acres
  - o 6% for 1281 acres or greater

**Deadline – April 30** - April 30 is the last day to apply for Insurance for Annual crops or to make changes to programs you currently participate in. You can complete the Change Request Form and email, fax or mail it to the office. You may also phone or see staff in the Branch location with your changes.

**This is only an Estimate** - The estimate is provided to give you the opportunity to compare coverage and premium at the various coverage levels available. Read it carefully as there is a relationship between yield guarantees, commodity prices, and coverage adjustments. Crops and coverage levels you elected last year will not be the same dollar coverage this year.

**Information on your Estimate** - Information appears in blocks for each crop and end use. That means that Commercial and Pedigreed crops will each have their own block. Crops also appear in more than one block when the hail rate or Rate Risk Area is different.

Your Normal (Expected yield at 100%)	Cov Level	Yield guarantee		Dollars Liability
		Kg	Bu	
Fallow	50%			
	60%			
	70%			
	80%			
Stubble	50%			
	60%			
	70%			
	80%			

This table shows what your expected yield is for fallow and stubble practices, based on the land you farm. When you have only farmed using one practice, AFSC calculates what the yield would have been if you had used the other practice.

**Cov Level** - You are only able to insure for a percentage of your expected normal yield guarantee as shown at the various coverage levels available.

**Dollars liability** - Spring Insurance Price x Yield guarantee. This is the maximum dollars/acre paid out in the event of a total loss.

<b>Ag-Product:</b>	<b>Hail Endorsement Rate:</b>
<b>Acres average:</b>	<b>Spring Insured Price:</b>

**Ag Product** - is the crop that coverage and premium is being quoted on.

**Acres Average** –The average number of acres you’ve insured of the crop in the past.

**Acres Limit** – will be blank and is no longer relevant as Acres Limitation has been discontinued.

**Hail Endorsement Rate** –The rate you pay after the federal and provincial government subsidy is applied. Clients pay 37% of the hail premium rate for crops that are eligible for Variable Price Benefit (VPB) and only 33% for crops ineligible for VPB. The actual rate is shown on your proposal estimates.

**Spring Insured Price** -The value/kg that you will be paid for production losses, when you produce less than your selected crop insurance yield guarantee.

Premium Per Acre			Rate Risk Area	
	Endorsements		Total Crop & HE	Total Crop, HE & SPE
Crop Insurance	Hail [HE]	Spring Price [SPE]		

This section indicates the amount of premium you pay for the coverage shown at each level based upon one acre. It separates the cost of Crop Insurance, Hail Endorsement [HE], and Spring Price Endorsement [SPE]. It displays combinations of premium with Crop insurance & Hail Endorsement and Crop Insurance, Hail Endorsement and Spring Price Endorsement. You select the options that work best for you.

**Unique Choices, By Crop** -You can choose to select different combinations for each crop type. Once you make your selection for a particular crop type you must insure all acres of that crop with the same coverage options and endorsements.

<b>Straight Hail Rate:</b>	
<b>Straight Hail</b>	
<b>Comparison</b>	
Straight Hail coverage is the same as Crop Insurance dollar liability, unless it exceeds the Straight Hail Insurance allowable limit.	
<b>Coverage</b>	<b>Premium</b>

This section compares the cost of Hail endorsement to the cost of Straight Hail Insurance. The Hail Rate shown in this section is the ‘base rate’ already factored as follows:

- Cereals - the base rate
- Hay crops - .75 times the base rate
- Pulse crops-1.50 times the base rate
- Oilseed crops -1.75 times the base rate

There are ‘dollar limits’ (per acre) for Straight Hail – In instances where your crop insurance coverage exceeds the limit allowed under Straight Hail insurance, you will note the limited Straight Hail ‘coverage’ is shown.

Questions? Contact your local branch office for more information.

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