



Unique Financial Services

AFSC

INSURANCE ▪ LENDING ▪ INCOME STABILIZATION

Straight Hail Contract of Insurance 2018

Please read your contract carefully.

Alberta 
Government

Straight Hail Contract of Insurance 2018

Agriculture Financial Services Corporation (AFSC) has the authority under the *Agriculture Financial Services Act* (Alberta) to cover an Insured under this Straight Hail Contract of Insurance. Pursuant to this insurance contract, and in consideration of the payment of premium and of the statements contained in the Application, AFSC will indemnify the Insured for damage caused by Hail, accidental fire or fire caused by lightning to an Insured Crop.

This Contract is the legal contract between the Insured and the Agriculture Financial Services Corporation (AFSC).

To report a loss, call or visit one of the Branch Offices or notify AFSC. For more details, see Duties After a Loss in this Contract.

Your Contract is composed of three parts:

- 1) **Part I** Consists of your **APPLICATION** for this insurance.
- 2) **Part II** Consists of the **SCHEDULE OF INSURANCE**, which AFSC provides to indicate the crops insurable, premium rates and maximum levels of coverage and limits.
- 3) **Part III** Consists of the **CONTRACT COVERAGE PROVISIONS**.

SCHEDULE OF INSURANCE

Maximum Coverage per acre	Crops charged the basic rate	Crops charged $\frac{3}{4}$ times basic rate
\$225.00 Dryland \$400.00 Irrigated Buckwheat and Camelina are NOT eligible for irrigation coverage	Barley Canary Seed Cereal for Silage Corn (grain/grazing) Flax Hemp Linola Millet Mixed Grain Oats Rye Safflower Spring Spelt Sunflower Sunola Sunwheat Triticale Wheat	Corn Silage Export Timothy Hay Sorghum Silage Hay <ul style="list-style-type: none"> - Grass (1 cut) - > 50% Legume (2 cut) - > 50% Legume – Irrigated (3 cut) Liability will be prorated on crops with more than one cutting Pasture is NOT eligible for Hail Insurance
\$325.00 Dryland \$425.00 Irrigated		
\$525.00 Dryland \$950.00 Irrigated	Catnip Mint	Sugar beets (no deductible accepted)
\$1,900.00 Dryland \$2,450.00 Irrigated	Potatoes: Chip, Fry, Seed, Table, Creamer	
\$2,000.00		

Crops not noted on this Schedule require Exception Committee approval.

Minimum Premium \$25.00 Per Application

Crops charged 1½ times basic rate	Crops charged 1¾ times basic rate	Crops charged 2 times basic rate
Alfalfa Seed Dry Beans -All varieties Brome Buckwheat Clover Crested Wheat Grass Faba Beans Fescue Lentils Lupines Peas Russian Wild Rye Soya Beans All other grass or legume crops grown for seed purposes	Camelina Mustards -All Varieties	
Chick Peas	Canola	
Borage Caraway Coriander Dill Essential Oils, Herbs & Spices Garlic Named Vegetables not specified elsewhere. i.e. Beets, Cabbage, Carrots, Cauliflower, Cucumber, Onion, Pumpkin, Squash, Sweet Corn, Turnips		Processing Crops: Beans Corn Peas
Market Garden Crops		

An Insured may be eligible for early payment, on-line or Auto-Elect premium discounts. See: Coverage Provisions, Section 9, Discounts.

TABLE OF CONTENTS

Coverage Provisions	6
1. Definitions	6
2. Eligibility	7
3. Period of Insurance	8
4. Designated Perils	9
5. Exclusions	9
6. Amount of Insurance and Limits of Dollar Coverage	10
7. Deductible	10
8. Previous Damage	11
9. Discounts	11
10. Reduction of Insurance	12
11. Harvesting Allowance	12
12. Special Limitations	12
Loss Adjustment Provisions	13
13. Duties After a Loss	13
a. Insured's Duties	13
b. AFSC's Duties	14
c. Adjustment Procedures	15
d. Deferred Adjustment	15
e. Approval of Adjustments	15
14. Subrogation in Case of Loss by Fire	15
15. Other Insurance	16
16. Abandonment	16
17. Claims for Loss	16
18. Appeals	18
General Provisions	18
19. Premium and Interest Charges	18
20. Assignment of Indemnity	19
21. Indebtedness to AFSC	20
22. Misrepresentation or Misconduct	20
23. Records and Access	21
24. Waiver or Alteration	22
25. Changes to The Contract of Insurance	23
26. Cancellation and Premium Refund	23
27. Suits and Waiver	25
28. Conformity to Statutes	25
29. Death of the Insured	26

COVERAGE PROVISIONS

1. DEFINITIONS

- a. **“AFSC”** means the Agriculture Financial Services Corporation.
- b. **“Application”** means the Straight Hail Insurance Application form or, for the AgrilInsurance Auto-Elect option, the Confirmation of Insurance form.
- c. **“Auto-Elect”** means the option for AgrilInsurance clients to attach Straight Hail Insurance to insured AgrilInsurance crops.
- d. **“Direct Loss”** means the damage to the insured crop caused by the initial impact of the insured peril.
- e. **“Hail”** means a round jagged piece of ice consisting of concentric layers and compacted larger than 5 mm (0.2 inches). (It does not include sleet, snow and frozen rain.)
- f. **“Harvest”** means the act or process of gathering in a crop.
- g. **“Indemnity”** means the compensation AFSC pays for a loss incurred pursuant to this Contract.
- h. **“Inspection Report”** means the report that contains the inspection details from which the loss assessment will be determined.
- i. **“Inspection Strips”** means representative standing strips or swaths of the insured crop in such measurements as required by AFSC to determine the crop production potential. Inspection Strips are in from the edges of the field, a distance of about one-third (1/3) of the width of the field, for the length of the field and a minimum of ten (10) feet in width, for inspection by AFSC. On fields less than one hundred (100) acres, two (2) strips are required. On fields of one hundred (100) acres or more, an additional strip must be left in the middle of the field. On fields of one hundred (100) acres or more that span multiple quarter sections, treat

each quarter section as a separate field; for fields less than one hundred (100) acres, two (2) strips are required; for fields greater than one hundred (100) acres, three (3) strips are required.

j. “**Insurable Crop**” means agricultural crops grown or produced in the Province of Alberta and listed in the Schedule of Insurance for this Contract.

k. “**Insured**” means anyone who has an interest in the Insurable Crop, whether they are the actual producer, tenant or landlord (excluding cash rent landlords).

l. “**Occurrence**” means exposure to the peril insured against.

m. “**Prescribed Rate**” means the rate of interest which is the aggregate of two (2) per cent per year and the Canadian Imperial Bank of Commerce prime rate adjusted quarterly on the last day of September, December, March, and June.

n. “**Schedule of Insurance**” means the listing of eligible crops, premium rates and maximum dollar coverage, published annually by AFSC.

o. “**Spot-Loss**” means losses eligible for Indemnity on the actual area of a crop damaged by an incidence of Hail, fire by lightning or accidental fire.

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

q. “**Viable Crop**” means a crop that prior to Hail damage (only) would have a value greater than the cost of Harvesting.

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

2. ELIGIBILITY

a. Only applicants having an ownership or crop share interest in the crop(s) insured are eligible for insurance.

b. Applicants with active AgrilInsurance are required to have the same AFSC business identification number for Straight Hail Insurance.

c. If all or part of the Insured Crop is being grown under contract for any seed company, person, firm or corporation, AFSC will not be liable for any loss to the interest of the seed company, person, firm or corporation unless they are listed on the Application and an appropriate premium paid.

d. Only agricultural crops grown or produced in the Province of Alberta are eligible for Straight Hail Insurance (see Schedule of Insurance).

e. Crops hailed prior to Application for insurance and Contract going into effect are subject to conditions of acceptance as required by AFSC.

3. PERIOD OF INSURANCE

a. This Contract is for one growing season, except when Auto-Elect option is selected by the Insured.

b. When the Auto-Elect option is selected by the Insured, attaching Straight Hail Insurance to AgrilInsurance, coverage remains in effect from year to year:

i. Unless changed or cancelled by the Insured on or before April 30;

ii. Denied by AFSC due to outstanding indebtedness to AFSC; or

iii. Denied by AFSC for failure to file a land report.

c. The Insured may purchase Straight Hail Insurance by completing and submitting it to AFSC in an electronic format, or on a paper Application form provided by AFSC.

d. Insurance coverage will begin at 12:00 noon Mountain Daylight Savings Time on the day following the date shown on the Application, subject to AFSC approval.

e. Unless previously terminated in accordance with the provisions of this Contract, insurance coverage for each growing season will terminate the earliest of:

i. When the acres of an insured crop have been Harvested;

- ii. After the acres of an insured crop have been abandoned by the Insured because of no Harvest value; or
- iii. 12:01 A.M. Mountain Standard Time on November 1.

4. DESIGNATED PERILS

AFSC insures for Direct Loss to the crops as described in the Schedule of Insurance.

- a. Perils of loss are:
 - i. Spot-Loss Hail;
 - ii. Accidental Fire; and
 - iii. Fire caused by Lightning.
- b. AFSC covers loss before Harvest only.

5. EXCLUSIONS

AFSC does not cover:

- a. Loss from any uninsurable peril, even though the loss may have occurred in conjunction with an insurable peril;
- b. Loss of any portion of a crop recoverable by harvesting equipment;
- c. Loss due to failure of the crop to mature;
- d. Loss due to neglect or failure to Harvest mature crops;
- e. Consequential, special or indirect damages including, but not limited to, diseases, insect infestation, lodging and loss of markets;
- f. Loss caused by fire recoverable from other insurance;
- g. Loss to crops which AFSC considers not a Viable Crop. There is no specific dollar level where a crop is considered not a Viable Crop, because the cost of Harvesting and crop values varies; and
- h. Volunteer Crops.

6. AMOUNT OF INSURANCE AND LIMITS OF DOLLAR COVERAGE

The amount of insurance and limits of dollar coverage for each crop is shown on the accepted Application. AFSC reserves the right to reject requests for changes to the Application after the policy has come into effect.

7. DEDUCTIBLE

Limits on coverage may be subject to a deductible as shown on the Schedule of Insurance.

a. Full Coverage:

If the Insured chooses coverage based on no deductible, AFSC will only pay an Indemnity when the percentage of loss is equal to or exceeds ten (10) per cent. When the percentage of loss is equal to or exceeds ten (10) per cent, AFSC will pay the full percentage of loss. If the percentage of loss is calculated by AFSC to be equal to or in excess of ninety (90) per cent, the percentage of loss shall be deemed to be one hundred (100) per cent.

b. 10% Deductible:

If the Insured chooses coverage based upon a ten (10) per cent deductible, AFSC will only pay an Indemnity for the percentage of loss that exceeds ten (10) per cent. When the percentage of loss exceeds ten (10) per cent AFSC will pay the full percentage of loss less ten (10) per cent. The percentage payable may not exceed ninety (90) per cent.

c. 25% Deductible:

If the Insured chooses coverage based upon a twenty five (25) per cent deductible, AFSC will only pay an Indemnity for the percentage of loss that exceeds twenty-five (25) per cent. When the percentage of loss exceeds twenty five (25) per cent AFSC will pay the full percentage of loss less twenty five (25) per cent. The percentage payable may not exceed seventy five (75) per cent.

The per cent of premium paid for each dollar of coverage is based on the Basic Premium Rates and Deductibles table on next page:

Basic Premium Rates and Deductibles		
Full Cover	10% Deductible	25% Deductible
3%	2.25%	1.5%
4%	3.0%	2.0%
5%	3.75%	2.5%
6%	4.5%	3.0%
7%	5.25%	3.5%
8%	6.0%	4.0%
9%	6.75%	4.5%
10%	7.5%	5.0%
11%	8.25%	5.5%
12%	9.0%	6.0%
13%	9.75%	6.5%
14%	10.5%	7.0%

8. PREVIOUS DAMAGE

AFSC will not pay the Insured an Indemnity for damage, by an insured peril, which occurred prior to the date and time this Contract is in effect.

a. When the Insured has damage, by an insured peril, which occurred prior to the date and time this Contract is in effect, AFSC may provide the Insured with full coverage less the percent of prior damage, as determined by AFSC.

b. AFSC will not provide coverage when AFSC determines the amount of prior damage to the crop is greater than twenty five (25) per cent.

9. DISCOUNTS

a. Auto-Elect: An Insured who elects Straight Hail Insurance coverage with their AgrilInsurance is eligible for a two (2) per cent discount. Deadline to elect coverage is April 30.

b. On-Line: An Insured who electronically completes the Application for Straight Hail Insurance using AFSC's Web based product is eligible for a two (2) per cent discount.

c. Early Payment: An Insured who pays premium which is received by AFSC by the later of June 25 or within 15 days of each version's billing date is eligible for a two (2) per cent discount on all or the portion of premium paid.

10. REDUCTION OF INSURANCE

The limit of insurance applying to each acre of insured crop will be reduced by the gross percentage of loss determined for each loss.

11. HARVESTING ALLOWANCE

An Indemnity shall be calculated based on full Dollar Coverage by crop.

a. If damage from Hail is calculated by AFSC to be in excess of seventy (70) per cent but less than or equal to ninety (90) per cent, an additional allowance shall be made. This allowance will be equal to the difference between the actual percent of damage and seventy (70) per cent to a maximum of ten (10) per cent.

b. If damage from Hail is calculated by AFSC to be equal to or in excess of ninety (90) per cent, the damage shall be deemed and calculated by AFSC to be one hundred (100) per cent.

12. SPECIAL LIMITATIONS

Hail losses to certain crops may be affected by the amount of defoliation of the crop at the time of loss.

Any loss caused by Hail may be subject to an adjustment based upon AFSC's defoliation tables that reflect the percentage loss based upon the percentage of damaged foliation.

Hybrid Canola for Seed Production Coverage

AFSC will offer Straight Hail Insurance for Hybrid Canola for seed production on the actual acres seeded. In the event of damage by an insured peril, the Indemnity would be paid on the actual acres seeded and based on the percentage of loss AFSC determines on the female plants.

LOSS ADJUSTMENT PROVISIONS

13. DUTIES AFTER A LOSS

a. Insured's Duties

In case of a probable loss to crops insured under this Contract the Insured must:

i. Provide AFSC a notice of loss, in a manner acceptable to AFSC and within fourteen (14) days after the day the crop was damaged by hail or fire;

ii. If the Insured is late in filing a notice of loss, AFSC may reject the claim. The Insured is expected to inspect damaged fields, identify damaged areas, and be able to take the Inspector directly to the damaged areas to assess the damage;

iii. Continue to care for each damaged field of insured crop until AFSC has examined it. In the case of Hail, upon AFSC's approval the Insured may Harvest the crop, leaving representative standing or swathed strips for AFSC's examination.

- The Insured must leave one full swath, or if straight combining a minimum of ten (10) foot wide standing strips, in from the edges of the field a distance of about one-third (1/3) of the width of the field, for the length of the field.
- On fields of one hundred (100) acres or more, an additional swath or strip must be left in the middle of the field.
- On fields of one hundred (100) acres or more that span multiple quarter sections, treat each quarter section as a separate field:
 - for fields less than one hundred (100) acres, two (2) strips are required; or

- for fields greater than one hundred (100) acres, three (3) strips are required.

Where the Insured has not left AFSC required Inspection Strips as set forth above, AFSC may deny or reduce the claim;

iv. Allow AFSC to examine the damaged crop as often as AFSC reasonably requires. Your refusal to permit AFSC examination of the damaged crops will forfeit all your rights to recover for the alleged loss;

v. Upon AFSC's request submit to examination under oath;

vi. Sign a withdrawal of claim when AFSC's inspection of the crop determines there is no payable loss under the terms of this Contract; and

vii. If a claim is made on any other insurance arising from the Occurrence of fire for which a claim is made on this Contract, upon AFSC's request, provide AFSC with all claims material relating to the other insurance.

b. AFSC's Duties

i. Endeavor to adjust all losses in a timely manner;

ii. Endeavor to pay the loss within a reasonable time;

iii. In no circumstances will AFSC be liable for any interest, loss or damage resulting from delays or failure to pay indemnities;

iv. AFSC makes no representation when payment for loss can be expected or when it will be paid; and

v. Where there is more than one Insured under a Contract, AFSC will pay any Indemnity to all Insured persons jointly, or with written confirmation of all insured persons or interested parties, to any of them severally or separately, as the case may be and further provided that 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 the designated Insured.

c. **Adjustment Procedures**

i. The procedures set out in AFSC's On Farm Inspection Field Procedure manual shall be used in the assessment of production and insurable loss of an Insured Crop;

ii. AFSC will adjust or appraise a loss with the Insured, any one named Insured or your authorized representative; any proceedings with one named Insured or your authorized representative will be binding on all other named Insureds;

iii. Any documents signed by your authorized representative will be binding upon the Insured; and

iv. When AFSC determines that correct procedures were not used to determine the loss or process the payment of loss, AFSC reserves the right to re-inspect the damaged field or revise the payment of loss to correct the loss payable.

d. **Deferred Adjustment**

At times it may be necessary for AFSC to defer the adjustment of a loss until the actual loss can be determined. The Insured must continue to care for the damaged field of insured crop during this deferral period until the actual loss can be determined.

e. **Approval of Adjustments**

Before becoming binding, all loss adjustments are subject to the approval of AFSC's Central Office in Lacombe, Alberta.

**14. SUBROGATION IN CASE OF LOSS BY FIRE
(Recovery of loss from a third party)**

Because the Insured may be able to recover all or a part of the loss from someone other than AFSC if the Occurrence is fire, the Insured must do all the

Insured can do to preserve such rights.

If AFSC indemnifies the Insured for the loss, the right of recovery will belong to AFSC. If AFSC recovers more than AFSC indemnified, the Insured plus AFSC's expenses, the excess will be paid to the Insured.

15. OTHER INSURANCE

If a crop loss caused by fire is also covered by other crop hail insurance, AFSC will pay only the proportion of the loss that AFSC's limit of insurance bears to the total amount of insurance, whether collectible or not. However, no crop insurance reinsured will be prorated with this Contract.

If a crop loss caused by fire is also covered by other insurance, including but not limited to farm property or liability insurance, then AFSC will pay only for the excess of such loss beyond the amount due from such other insurance, whether collectible or not, and not exceeding AFSC's limits of insurance.

16. ABANDONMENT

AFSC will not accept liability on any crop abandoned by the Insured.

17. CLAIMS FOR LOSS

- a. A claim for loss under the Contract must be made within the deadline stipulated. If the Insured is late in filing a claim for loss, AFSC may reject the claim.
- b. Upon receipt of a claim for loss, AFSC shall conduct an inspection following which AFSC will serve the Insured with a copy of the Inspection Report.
- c. 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 Statement of Loss for the claim for loss by the Insured and no further Statement of Loss will be issued by AFSC.
- d. If the Insured does not, within seven (7) days of service of the Inspection Report advise AFSC of

the Insured's disagreement with the report, AFSC will issue the Statement of Loss according to the Inspection Report.

e. After an inspection, pursuant to b. if the Insured within seven (7) days of service of the Inspection Report, advises AFSC of the Insured's disagreement with the report and 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.

f. 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 re-inspection within seven (7) days from the day that the Insured is served with the Inspection Report.

g. Service of the Inspection Report or a Statement of Loss may be effected on the Insured:

- i. by personal service;
- ii. by ordinary mail or registered mail in which case, service is deemed to have been effected;
 - Seven (7) days from the date of mailing if the document is mailed in Alberta to an address in Alberta, or
 - Fourteen (14) days from the date of mailing if the document is mailed to an address located outside of Alberta.
- iii. by facsimile, email or other electronic means in accordance with AFSC's most recent records for the Insured.

h. 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 Insureds is deemed to be service on all the Insureds.

18. APPEALS

- a. The Insured's right of appeal 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 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 this Contract, but referencing Section 17 (Claims for Loss) above, the Insured may only appeal a Statement of Loss if the Insured has notified AFSC within the time period required by Section 17 (Claims for Loss) e. above.
- 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.

GENERAL PROVISIONS

19. PREMIUM AND INTEREST CHARGES

- a. The premium, any surcharges, administration fees and penalties calculated and determined by AFSC are due and payable on the date assessed.
- b. An Application is subject to a \$25 minimum premium.

c. 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 of the Contract year and will be payable by the Insured on the first day of each following month, until the total balance outstanding is paid.

d. The Insured shall not be relieved of the obligation to pay the premium by reason of paying or agreeing to pay interest.

e. 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.

f. From the date the premium is due, AFSC has a lien for unpaid premiums, money AFSC has paid to the Insured to which the Insured was not entitled and all costs referred to in this section. The lien is valid for three (3) years and is on all the Insured's crops, on all the proceeds owing to the Insured from sale of Insured's crops and on all amounts payable to the Insured under this insurance contract. The lien is a statutory lien as stated in the Act.

g. AFSC is not obliged to pay interest on any amount owed to the Insured in any circumstance.

20. ASSIGNMENT OF INDEMNITY

a. The Insured may assign all or a portion of indemnities, provided that:

- i. they have 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 this Contract, payment up to the amount stated in the assignment will be made in the name of the assignee and sent to the assignee.

21. INDEBTEDNESS TO AFSC

a. Any indebtedness due or to become due to AFSC from the Insured on this Contract, or any other debt the Insured may owe AFSC for any matter may be deducted from an Indemnity.

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

22. 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, 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.

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, or reject or cancel insurance for a time period, the length of cancelations are at AFSC's discretion, under this Contract; or
- ii. reduce the amount of an Indemnity by the amount AFSC determines was caused by the said farming practices, management procedures or operations.

c. If the loss or damage claimed by the Insured results from reasons stated in subsection (a) or (b) of this section, 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.

It is also an offence, punishable by a fine of \$10,000 and imprisonment for up to one year if an Insured has furnished false information, made a false statement or has otherwise made a misleading statement by not providing complete information.

23. Records and Access

a. The Insured shall keep and produce to AFSC immediately upon demand: all seeded acreage records and all records of farm income and farm expenses (collectively referred to hereinafter as “the Insured’s records”) for the year that the Insured has a Contract with AFSC. If the Insured has not been insured by AFSC for six (6) consecutive prior fiscal years, all of the Insured’s records for each year that the Insured has a contract of insurance with AFSC and for each prior consecutive fiscal year that the Insured has been insured by AFSC.

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.

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. AFSC has an immediate right of entry to all lands owned or leased by the Insured, or otherwise under the direct or indirect control or direction of the Insured, sufficient in the discretion of AFSC to allow AFSC to survey, audit, inspect, estimate and examine the Insured’s Insurable Crop(s).

b. The Insured agrees that AFSC and any person acting for AFSC may have access to the Insured’s records to which this Contract relates and for the

purposes of determining any information required under this Contract.

c. Upon AFSC's request for access to 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 records relating to this Contract, and the Insured, by entering into this Contract, is deemed to have authorized and consented to the release of the required information to AFSC. If AFSC is unable to obtain records from parties other than the Insured, the Insured will take whatever steps are necessary to obtain the information and produce it to AFSC at the cost to the Insured.

e. If the Insured fails to comply with any part of this section, AFSC may refuse to pay any Indemnity until the Insured has remedied the failure to comply.

f. At AFSC's request, the Insured shall submit to examination under oath and produce all documents that relate to the matters in question.

24. WAIVER OR ALTERATION

a. No term or condition of this Contract 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 thing waived at the specific time and may not serve as a waiver of any breach of this Contract.

b. Any amendments to this Contract must be in writing to be effective.

c. The rights, remedies and privileges of AFSC under this Contract are cumulative and any one or more may be exercised.

25. CHANGES TO THE CONTRACT OF INSURANCE

- a. AFSC reserves the right to add to or amend this Contract to change the Insurable Crop(s), the premium, the coverage, the insured values, and other terms and conditions of this Contract at any time before or during the term of the contract.
- b. Any changes to this Contract and to anything else relating to this Contract are deemed to be in effect fifteen (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 shall be subject to the provisions of the Act and Regulations and any amendments made to the Act or Regulation except for the definition of a term where the Contract alters the definition of a term that is in the Act or Regulation.

26. CANCELLATION AND PREMIUM REFUND

- a. Cancellation by Insured:
 - i. The Insured may cancel the Straight Hail Insurance by giving AFSC written notice;
 - ii. The cancellation shall be effective immediately on the date of actual receipt of that notice by AFSC;
 - iii. There is no premium refund for a crop if Indemnity has been paid under this insuring agreement for that crop; and
 - iv. Provided no Indemnity has been paid under this insuring agreement, the premium refunded to the Insured shall be determined in accordance with the date of cancellation as shown in the following tables:

Spring seeded crops:

Cancellation and Premium Refund Schedule		
Spring Seeded Crops	Premium Earned	Premium Refund
Before July 1	25%	75%
July 1 - July 3	35%	65%
July 4 - July 6	45%	55%
July 7 - July 9	55%	45%
July 10 - July 12	65%	35%
July 13 - July 15	75%	25%
July 16 - July 19	80%	20%
July 20 - July 23	85%	15%
July 24 - July 27	90%	10%
July 28 - July 31	95%	5%
August 1	100%	0%

Fall seeded crops:

Include fall seeded crops, forage crops grown for seed and forage crops (grasses and legumes). The cancellation dates are 14 days in advance of the dates set forth in the table for spring seeded crops.

Cancellation and Premium Refund Schedule		
Fall Seeded Crops	Premium Earned	Premium Refund
Before June 16	25%	75%
June 16 – June 18	35%	65%
June 19 – June 21	45%	55%
June 22 – June 24	55%	45%
June 25 – June 27	65%	35%
June 28 – June 30	75%	25%
July 1 – July 4	80%	20%
July 5 – July 8	85%	15%
July 9 – July 12	90%	10%
July 13 – July 15	95%	5%
July 16	100%	0%

b. Cancellation by AFSC:

i. AFSC may cancel all or part of the insurance provided by AFSC at any time by notifying the Insured in writing at least five (5) days before the date and hour cancellation takes effect. Notices of cancellation may be delivered or mailed to the Insured at the mailing address shown in the Application. Proof of mailing will be sufficient proof of the date notice was sent to the Insured.

ii. If AFSC cancels all or any part of this Contract, no part of the premium for this Contract will be considered earned, except:

- If a covered loss occurs prior to the effective date of cancellation, then the premium will be considered earned in the same ratio as the amount of loss paid bears to the insurance in force; and
- The entire premium will be earned on crops Harvested prior to the effective date of cancellation.

27. SUITS AND WAIVER

The Insured cannot bring suit or action against AFSC. An appeal committee determines all matters.

In any action brought by AFSC to recover any premium due for this Contract, the Insured waives, for good and valuable consideration including any deferral of interest charged until September 1 of the Contract year, all right to assert, as a counterclaim, setoff or as reimbursement, any claim which is barred by any provision of this Contract.

28. CONFORMITY TO STATUTES

If any terms of this Contract are in conflict with statutes of Alberta that apply to this Contract, the Contract will conform to such statutes.

29. DEATH OF THE INSURED

If the Insured dies, this Contract will continue in force for the benefit of your spouse or legal representative until termination of insurance coverage in accordance with the provision of this Contract.

IN WITNESS WHEREOF

AFSC has signed this Contract of Insurance.

AGRICULTURE FINANCIAL SERVICES CORPORATION

Per:


Darryl Kay, Interim Chief Executive Officer



www.AFSC.ca • 1.877.899.AFSC (2372)



@AFSC_AB •



@AFSCjobs