

# **PRODUCTION INSURANCE** *for British Columbia*

## **Notification of Changes to the**

### **Tree Fruits**

### **Policy Wording for**

### **The Continuous Specified Perils Production Insurance Contract**

The Tree Fruits Policy Wording for The Continuous Specified Perils Production Insurance Contract has been amended. Changes to 2017 Tree Fruits Policy Wordings are as follows:

#### **Definitions**

##### Section 1.1

Added definition “Cherry Net Production Coverage” means a type of Yield Loss Coverage applicable to sweet cherries only, the indemnity for which is calculated using the formula found in paragraph 8.1(a);

##### Section 1.1

From: "Production Guarantee" means the yield of a Type of Crop that we guarantee for Yield Loss purposes, being the probable yield less the deductible you select before the Crop Year starts from the choices we offer, as specified on a Statement of Premiums and Coverages;

To: "Production Guarantee" means the yield of a Type of Crop that we guarantee for Yield Loss purposes, being either

- (a) in the case of Cherry Net Production Coverage, the probable Saleable Yield for sweet cherries, or
- (b) in the case of any other type of Yield Loss coverage, the probable yield of the Tree Fruit,

less the deductible you select before the Crop Year starts from the choices we offer, as specified on a Statement of Premiums and Coverages;

##### Section 1.1

From: “Quality Peril”

- a) for apples, apricots, peaches (including nectarines), and pears means hail and wind, and
- b) for plums (including prunes), sweet cherries, and sour cherries means rain that splits the skin, hail, and wind;

To: “Quality Peril”

- a) for apples, apricots, peaches (including nectarines), and pears means hail and wind, and
- b) for plums (including prunes), sweet cherries (gross yield product only), and sour cherries means rain that splits the skin, hail, and wind;

##### Section 1.1

Added definition: “Saleable Sweet Cherries” means sweet cherries that meet or exceed Orchard Run grade standards as per the Fresh Fruit and Vegetable Regulations (Canada)

## Section 1.1

Added definition: “Saleable Yield” means, with respect to sweet cherries, the yield of Saleable Sweet Cherries you produce and harvest in a Crop Year, as modified by section 4.7, if applicable, plus Appraised Unharvested Yield;

## **Yield Loss Coverage**

### Section 2.1

Added: Where this section applies to Cherry Net Production Coverage, the phrase “Total Yield of a Crop” in this section is replaced with the phrase “Saleable Yield of sweet cherries”.

## **Minimum Coverage for Quality Loss**

### Section 2.2

Added: Despite the above, if you hold Cherry Net Production Coverage, we will not indemnify you for Minimum Coverage for Quality Loss for sweet cherries.

## **You Must Request Minimum Coverage**

### Section 2.4

From: If you request insurance for a Type of Tree Fruit under this contract, you must request, at a minimum

- (a) Yield Loss at the maximum deductible and minimum Insurable Value we specify,
- (b) Minimum Coverage for Quality Loss (or Optional Coverage for Quality Loss covering the entire crop of that Type of Tree Fruit you grow on land you own or lease as of the start of the Crop Year), and
- (c) Fruit Tree Loss at the maximum deductible and minimum Insurable Value we specify.

To: If you request insurance, other than Cherry Net Production Coverage, for a Type of Tree Fruit under this contract, you must request, at a minimum

- (a) Yield Loss coverage at the maximum deductible and minimum Insurable Value we specify,
- (b) Minimum Coverage for Quality Loss (or Optional Coverage for Quality Loss covering the entire crop of that Type of Tree Fruit you grow on land you own or lease as of the start of the Crop Year), and
- (c) Fruit Tree Loss coverage at the maximum deductible and minimum Insurable Value we specify.

### Added Subsection 2.4.1

Added: If you request Cherry Net Production Coverage under this contract, you must request, at a minimum

- (a) Cherry Net Production Coverage at the maximum deductible and minimum Insurable Value we specify, and
- (b) Fruit Tree Loss coverage at the maximum deductible and minimum Insurable Value we specify.

### Added Subsection 2.4.2

Added: You must pay the premiums by the due date (see paragraph 10.1) for all the minimum coverages that we offer to you. If you do not pay all premiums, you have no coverage at all

## **Optional Coverage for Quality Loss**

### Section 2.5

Added: Despite the above, if you hold Cherry Net Production Coverage, we will not indemnify you for Optional Coverage for Quality Loss for sweet cherries.

## **Applications for Sweet Cherry Coverage**

### Section 2.6

Added: If you apply for Yield Loss coverage for sweet cherries, you may only apply for either

- (a) Cherry Net Production Coverage or
- (b) Standard Yield Loss coverage applicable to the gross production of the sweet cherry Crop.

### Added Subsection 2.6.1

Added: If you apply for Cherry Net Production Coverage, you may not apply for Minimum Coverage for Quality Loss or Optional Coverage for Quality Loss for sweet cherries.

## **You Must Request Coverage for All of Crops/Trees**

### Section 4.7

Added: For certainty, in the case of Cherry Net Production Coverage, saleable sweet cherries produced on uninsured land will be included in the calculation of Saleable Yield.

## **Permission to Abandon Crop**

### Section 7.2

Added: In the case of Cherry Net Production Coverage, only Saleable Sweet Cherries will be considered as Appraised Unharvested Yield.

## **We Have Right to Determine Yield, Assessments and Quality**

### Section 7.5

From: We may determine Total Yields, causes of loss...

To: We may determine Total Yields, Saleable Yield, causes of loss...

## **Yield Loss Indemnity**

### Section 8.1

From: An indemnity for Yield Loss of a Type of Tree Fruit is calculated according to the following formula:

$(\text{Production Guarantee} - \text{Assessments} - \text{Total Yield}) \times \text{Insurable Value}$ .

To: An indemnity for Yield Loss is calculated according to the following:

- a) for Yield Loss of sweet cherries covered under Cherry Net Production Coverage, in accordance with the following formula:

$(\text{Production Guarantee} - \text{Assessments} - \text{Saleable Yield}) \times \text{Insurable Value}$

- b) for Yield Loss of a Type of Tree Fruit in any other case, in accordance with the following formula:

$(\text{Production Guarantee} - \text{Assessments} - \text{Total Yield}) \times \text{Insurable Value}$ .