

Production Insurance

BC Ministry of Agriculture and Food

Pilot Flower Bulbs

Policy Wording
for
**The Continuous
Specified Perils
Production Insurance
Contract**

This policy contains a
clause which may limit
the amount payable

Ministry of Agriculture and Food
<http://www.gov.bc.ca/CropInsurance/FlowerBulbs>



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BASIS AND TERM OF CONTRACT

Definitions

1.1 In this contract, the following words have the following meanings:

- “Approved Planting Period” has the meaning given in paragraph 4.7;
- “Assessment” has the meaning given in paragraph 7.3;
- “Coverage per Acre” means coverage in dollars per acre that we specify;
- "Crop Year" means a period starting on November 1 and ending on October 31 of the following year;
- “Destroyed Acres” means acres of Flower Bulbs which we agree are eligible for indemnity and which you destroy by some method that we have agreed to;
- “Event” has the meaning given to it in section 6.1.
- "Flower Bulb" means field-grown daffodil bulb or tulip bulb.
- "Insurable Loss" means acres of Flower Bulbs that are damaged by an insurable peril (as described in paragraph 2.1), that are approved for destruction by us, and that you destroy;
- "Notice of Loss" has the meaning given in paragraph 6.1;
- "Planted Bulb Report" has the meaning given in paragraph 4.8;
- "Statement of Premiums and Coverages" has the meaning given in paragraph 4.11;
- "Type" means, when referring to Flower Bulb, daffodil or tulip.
- "us", "we ", and "our" refer to the Province of British Columbia alone: they never refer to the combination of you and the Province of British Columbia;

Contract Terms And Formation

1.2 The following are included as terms of the contract between you and us:

- (a) your application for insurance including all representations you make to us in the applications and in any documents we require in support of your applications,
- (b) this document,
- (c) all changes to this document that we make and notify you of in accordance with this document,
- (d) all notices of distinct planting, Planted Bulb Reports, and the Statement of Premiums and Coverages,
- (e) all terms implied by law, including those applicable terms specified under the Insurance Act, SBC 2012, c. 37 and the Insurance for Crops Act, RSBC 1996, c. 229.

Our acceptance of your original application for insurance creates a contractual relationship between you and us.

Periods of Coverage for Daffodils

1.3 The period of coverage for daffodils varies depending on whether you are already insured for daffodils and when the bulbs were planted as follows:

- (a) If, at the time of planting (during the Approved Planting Period immediately preceding a Crop Year), you are already insured for daffodils (including by complying with (b)), coverage starts as follows:
 - (i) if notice of a distinct planting is given within 14 days of planting, coverage for that planting starts on the planting date, and

- (ii) if notice of a distinct planting is not given within 14 days of planting, coverage for that planting starts on the day the notice is received.
- (b) If, at the time of planting (during the Approved Planting Period immediately preceding a Crop Year), you are not already insured for daffodils, coverage begins once we have received a completed application for Flower Bulb insurance for daffodils, including a completed Planted Bulb Report, and full payment of the premium due.
- (c) Coverage for daffodils overwintered in the previous Crop Year starts on the first day of the first Crop Year following our receipt of your completed application for Flower Bulb insurance for daffodils, including a completed Planted Bulb Report, and full payment of the premium due.

Coverage ends at the end of the Crop Year or upon harvest of the daffodil bulbs, if that happens sooner.

Periods of Coverage for Tulips

1.4 The period of coverage for tulips varies depending on whether you are already insured for tulips, when the bulbs were planted, and the effect that harvesting of flowers has on the tulip plant as follows:

- (a) If, at the time of planting (during the Approved Planting Period immediately preceding a Crop Year), you are already insured for tulips (including by complying with (b)), coverage starts as follows:
 - (i) if notice of a distinct planting is given within 14 days of planting, coverage for that planting starts on the planting date, and
 - (ii) if notice of a distinct planting is not given within 14 days of planting, coverage for that planting starts on the day the notice is received.
- (b) If, at the time of planting (during the Approved Planting Period immediately preceding a Crop Year), you are not already insured for tulips, coverage begins once we have received a completed application for Flower Bulb insurance for tulips, including a completed Planted Bulb Report, and full payment of the premium due. If flowers are harvested in a manner that destroys most of the tulip plant (pulled), coverage ends when flowers are harvested. If flowers are harvested in a manner that leaves the plants relatively intact (stem cut), or if flowers are not removed, coverage ends
 - (i) when the bulb is harvested; or
 - (ii) the end of the Crop Year,whichever is earlier.

Contract Not Continuous

1.5 The contract runs from the beginning of the Crop Year and terminates at the end of the Crop Year. You must reapply for coverage annually.

Contract Ends Upon Death

1.6 In the event of your death, the contract terminates either:

- (a) at the end of the Crop Year in which death occurs or
- (b) on the day that your insurable interest ceases to be part of your estate, whichever is the earlier.

No Transfer Of Insurance Without Consent

1.7 If you transfer all or part of your insurable interest (by selling or otherwise), the contract with respect to the transferred portion terminates at the time of the transfer.

The contract does not terminate if we, you, and the transferee agree to substitute the transferee for you concerning that transferred interest. We may refuse to agree or we may vary the terms of the contract as a condition of agreeing.

No Indemnity Unless You Retain Insurable Interest

1.8 To be eligible for an indemnity, you must retain the insurable interest in the insured property until we have finished the adjusting process.

Limitation of Actions

1.9 Every action or proceeding against an insurer for the recovery of insurance money payable under this contract is absolutely barred unless commenced within the time set out in the Insurance Act.

PERILS AND COVERAGE CONDITIONS

Flower Bulb Coverage

2.1 If you obtain Flower Bulb coverage, we must indemnify you for any acres of Flower Bulbs that are significantly damaged by an insurable peril, that are approved for destruction by us, and that you destroy. The damage must be caused by an uncontrollable peril including:

- (a) hail;
- (b) spring frost;
- (c) drought;
- (d) excessive moisture, including rainfall and flooding, which destroys the bulbs;
- (e) wind;
- (f) extreme heat;
- (g) freeze;
- (h) snow;
- (i) unpreventable uncontrollable insects; or
- (j) fire.

The formula for calculating Flower Bulb coverage indemnity is found in paragraph 8.1.

Eligibility

2.2 Daffodil Flower Bulbs that have been in the ground for three winters or more are not eligible for coverage. Tulip Flower Bulbs are only eligible if they are planted during the Approved Planting Period immediately preceding the Crop Year in which coverage is requested.

EXCLUSIONS FROM COVERAGE

Exclusions

3.1 No indemnity is payable for:

- (a) any loss that you could control, including, without limitation, damage resulting from poor management, negligence, or breach of this contract,
- (b) damage resulting from disease, weeds, animals or uncontrollable insects,
- (c) any loss resulting from low prices, market problems, labor problems, or equipment problems,
- (d) any loss caused by another person, or

- (e) any loss, whether caused by an insurable peril (as listed in paragraph 2.1) or not, that occurs after harvest.

We Decide What You Can Control

- 3.2** We may, in our sole discretion, decide, for the purposes of paragraph 3.1, what you can control, but we must act reasonably in making this decision. If an excluded event causes a loss, we may deny the claim or reduce the indemnity by applying an Assessment.

UNDERWRITING AND COVERAGE DETAILS

Deadline For Applications

- 4.1** You must apply for insurance and provide all the information we require in support before the Crop Year starts.

Flower Bulb Coverage Application

- 4.2** Your signature on the application and your payment of the premium by the due date (see paragraph 10.1), is your acceptance of our offer of insurance. You are covered for the number of eligible acres of each Type of Flower Bulb selected that are planted on land you own, lease, or operate as of the start of the Crop Year. If we do not receive payment by the due date, you are deemed to have rejected our offer and elected not to have insurance for the ensuing Crop Year.

Minimum Acres

- 4.3** You must plant a minimum of 2 acres of a Type of Flower Bulb to be eligible for coverage. You must apply for coverage for all eligible acres of each Type of Flower Bulb.

We May Deny Coverage

- 4.4** We may, in our sole discretion, refuse to provide you insurance. We may, without limiting the scope of our discretion, refuse coverage based on:
- (a) the area and the site used to grow the Flower Bulbs,
 - (b) your experience in growing Flower Bulbs,
 - (c) the health and vigor of the Flower Bulbs,
 - (d) the variety of the Type of Flower Bulbs,
 - (e) the Flower Bulbs being planted outside of the Approved Planting Period, or
 - (f) your failure to pay premiums when due.

We May Specify Conditions

- 4.5** We may require you to meet conditions to be eligible for insurance coverage, including requiring you to demonstrate your ability to produce Flower Bulbs in the area for which coverage is requested and to demonstrate you have successfully grown Flower Bulbs in two Crop Years.

Underwriting In Our Sole Discretion

- 4.6** We have the sole discretion to determine underwriting matters, including, without limitation, to establish premium rates, premiums, and coverage. You have no right to appeal underwriting decisions.

Approved Planting Periods

- 4.7** Insurance is not effective for Flower Bulbs planted outside of the following "Approved Planting Period" unless we give written approval:

Planted Bulb Report And Deadlines

- 4.8** You must give us a report (a "Planted Bulb Report") in the form we require showing planting details for each Type of Flower Bulb including field description, location, size, planting date, planting rate and varieties planted. You should do this as soon as you finish planting each field so we can promptly inspect the planting. In any event you must

Daffodils	August 1 to October 31
Tulips	August 1 to October 31

- (a) give us notice of every distinct planting within 14 days after planting, and
- (b) file a complete "Planted Bulb Report" no later than November 7.

We Can Charge You For Completing The Report If You Are Late

4.9 If you do not file a Planted Bulb Report by the required date

- (a) we may inspect your Flower Bulbs and complete the Planted Bulb Report for you, in which case that Planted Bulb Report binds you as if you had completed it, and
- (b) if we complete the Planted Bulb Report for you, you must pay us our costs of doing so.

Planted Flower Bulb Inspection - Reduction Of Coverage

4.10 Once you have finished planting, we can inspect your Flower Bulbs. If we determine that it has suffered from an uninsured hazard we can reduce your coverage per acre for that Type of Flower Bulb.

If the Planted Bulb Report for the Flower Bulbs is not filed in time, we can reduce your coverage per acre for that Type of Flower Bulb. This is to compensate for our inability to fully evaluate your management practices.

You have the right to appeal a reduction made according to this paragraph, but please note the time limit and the requirement to pay premium (paragraph 13.2).

Insurance Coverage And Premium

4.11 We must provide you a document (a "Statement of Premiums and Coverages") which sets out your coverage details, including your coverage per acre and premiums for the Crop Year.

YOUR DUTIES

Information You Give Must Be Accurate

5.1 You represent and warrant that all information you have provided, and promise that all information you will provide, to us related to this contract is correct and true.

You Have A Duty Of Good Faith And Full Disclosure

5.2 This is a contract of insurance. We will not necessarily make an inspection before the start of the Crop Year. We will rely on the information you provide us. You owe us the duty of utmost good faith and full disclosure required by the common law of insurance. This includes, without limitation, the duty to

- (a) accurately disclose to us all details of your growing operation which may affect our risk in insuring you, including the condition of the equipment used to manage the Flower Bulbs, your history of losses and production and
- (b) promptly report to us any change in circumstance or Flower Bulb management technique that may affect this contract or an indemnity or premium due under it.

Flower Bulb Management

5.3 You must care for and manage the Flower Bulbs according to recognized agricultural management practices and horticultural techniques: this includes taking reasonable precautions to avoid damage from all hazards, insured or not.

Right To Enter And To Inspect Records

5.4 You must allow any agent we appoint, at any reasonable time, to enter upon your land to:

- (a) inspect and measure your land and any plant grown or stored on it,
- (b) determine whether a proposed planting of Flower Bulbs is acceptable for insurance,
- (c) inspect any record that you are required by this contract to keep,
- (d) ensure that the terms of this contract are being complied with,
- (e) adjust a claim for indemnity, including, without limitation, determine the extent and cause of loss, the size of the area involved, and the Flower Bulbs which are no longer economical to maintain,
- (f) verify Destroyed Acres for the purpose of adjusting a claim, and
- (g) inspect bulbs removed from Destroyed Acres.

Right To Records Held By Others

5.5 You authorize us to inspect any records held by other persons pertaining to your Flower Bulbs and direct those other persons to disclose those records to us. You must confirm that direction to those persons upon our request.

You Must Provide Information

5.6 You must give us the information required by this document by the times specified and must provide, on demand, all information that is, in our opinion, relevant to underwriting or to determining a claim for indemnity.

You Must Show Insurable Interest

5.7 You must, upon request, provide us with

- (a) full details of the location of the lands upon which the Flower Bulbs are located,
- (b) evidence of your interest in those lands, and
- (c) evidence that you have an insurable interest in the Flower Bulbs insured under this contract.

NOTICE OF LOSS

You Must Give Detailed Notice Of Loss

6.1 Each time you become aware of an event that has the potential to damage the insured Flower Bulbs (an “Event”), you must give us a notice (a “Notice of Loss”) that describes:

- (a) the Event,
- (b) the date(s) the Event occurred,
- (c) the location of the land on which the potentially damaged Flower Bulbs grow,
- (d) and the Type of Flower Bulbs potentially damaged,
- (e) any agronomic conditions or symptoms observed that indicate there may potentially be damage to the Flower Bulbs, and
- (f) the acres of Flower Bulbs potentially damaged.

How To Give A Notice Of Loss

6.2 You may give the Notice of Loss by telephone, in person, or by mail, delivery, or fax. Upon receiving notice, we must give you a confirmation number. If you do not receive a confirmation number within 14 days of giving the Notice of Loss, you must tell us immediately. You are deemed not to have given the Notice of Loss any earlier than 14 days before you tell us that you did not receive the confirmation number.

Deadline For Giving Notice Of Loss

6.3 You must give us a Notice of Loss at the earliest of the following:

- (a) the date(s) you became aware of an Event,
- (b) the start of harvest of the Flower Bulbs,
- (c) the end of the period of coverage in the relevant Crop Year (see paragraph 1.3 or 1.4, as applicable).

If a Notice of Loss is not received by the required time, we may deny the whole claim or reduce it by an Assessment to take into account the harm caused us by your late notice.

ADJUSTING LOSS

We May Require Flower Bulbs to Remain Planted

7.1 After inspecting a planting of Flower Bulbs, we may require you to allow them to remain planted and continue to manage them, to evaluate the full effect of any loss. You must not abandon them without our written consent.

Qualifying For Indemnity

7.2 If you claim an indemnity for a loss to Flower Bulbs:

- (a) We must determine the acres of the Flower Bulbs damaged by insurable perils;
- (b) We may determine that while some damage due to insurable perils has occurred, the amount of damage is not significant enough to warrant destruction of the Flower Bulbs and refuse to pay an indemnity for the acres of Flower Bulbs affected;
- (c) You must decide whether to destroy the damaged acres of Flower Bulbs to qualify for an indemnity or to keep the damaged acres of Flower Bulbs for further use;
- (d) You must destroy the damaged acres of Flower Bulbs that we have agreed on prior to any removal taking place, by herbicide application or by some other method that we have agreed to, or you must otherwise deal with the Flower Bulbs as directed by us;
- (e) You must not salvage any bulbs removed from Destroyed Acres. Bulbs removed from Destroyed Acres must be stored separately (e.g. a cull pile) and made available for inspection. Acres of Flower Bulbs from which any bulbs are salvaged are not eligible for indemnity.

We May Reduce Indemnity (Assessments)

7.3 We may reduce the indemnity otherwise payable by deducting an amount (an "Assessment") to take into account losses attributable to uninsured causes, including, without limitation

- (a) poor Flower Bulb management practices,
- (b) losses caused by uninsured hazards,
- (c) losses excluded by paragraph 3.1
- (d) unauthorized removal of Flower Bulbs,
- (e) unrecorded Flower Bulb disposal,
- (f) not harvesting Flower Bulbs within a reasonable time after it is ready for harvest,
- (g) abandoning Flower Bulbs without obtaining written consent,
- (h) salvaging bulbs from Destroyed Acres

- (i) not giving a Notice of Loss by the required deadline (subject to our considering the claim at all), or
- (j) your breach of this contract, including falsely describing the nature of, location of, or acreage of Flower Bulbs, knowingly misrepresenting or not disclosing any facts required to be disclosed, or failing to discharge your duty of good faith and full disclosure to us.

We Have Right To Determine Insurable Losses and Assessments

7.4 We may determine damaged acres, causes of loss, amounts of loss, and Assessments by the most practical and reasonable methods available, including, without limitation, sampling, inspecting, measuring, estimating, reviewing documents, comparing records of production from nearby lands, and using information you provide. If there is a discrepancy between information you provide and information we obtain from other sources, we may use the latter to determine an indemnity.

Separate Adjustment

7.5 Losses of each Type of Flower Bulb are adjusted separately. The indemnities and any applicable deductibles are calculated separately.

Adjusting Costs Covered

7.6 You are obliged to pay all premiums associated with the adjusting process. We must indemnify you for these costs, and, therefore, there will be no net additional cost to you.

INDEMNITY CALCULATION

Indemnity Formula

8.1 An indemnity for loss of each Type of Flower Bulb is calculated according to the following formula:

$$(\text{Destroyed Acres} - \text{Deductible}) \times \text{Coverage per Acre}$$

Where Deductible means the deductible for that Type of Flower Bulb that we specify or, if applicable, which you select before the Crop Year starts from the choices we offer.

INDEMNITY PAYMENT

Things That Must Happen Before Indemnity Is Payable

- 9.1** We may withhold payment of an indemnity until any one or more of the following, as we in our discretion may specify, occur:
- (a) you destroy the damaged acres of Flower Bulbs that we have agreed on;
 - (b) you establish that an insured peril caused the loss,
 - (c) the land is worked down or put to a use other than to produce Flower Bulbs,
 - (d) you provide a Canada Revenue Agency income tax reporting number, or
 - (e) you provide a statutory declaration attesting to any representation you make to us for the purpose of obtaining an indemnity.

Payment And Claim Summary Report

9.2 Within 30 days after determining the amount of indemnity payable for an Insurable Loss, we must pay you and provide you with a claim summary report showing the amount of indemnity by Type of Flower Bulb. The amount of indemnity payable for an Insurable Loss will not be determined until after the Approved Planting Period for the Type of Flower Bulb.

Cashing Cheque Means Satisfaction

9.3 If you cash an indemnity cheque issued by us as final settlement for a claim of loss, you admit that your claim is satisfied.

Set-Off

9.4 If you owe us money, we may set-off against that debt any money that we owe you.

Assigning Indemnity

9.5 An indemnity under this contract is not assignable unless

- (a) we give written consent to the assignment and
- (b) the assignment is made to a single assignee.

Only One Assignment Allowed

9.6 You must not have more than one assignment of indemnity under this contract outstanding at any one time.

PREMIUM PAYMENT

Premium Due Date

10.1 You must pay the premium due for each Crop Year before

- (a) the start of the Crop Year or
 - (b) the 15th day after the approval date on the Statement of Premiums and Coverages,
- whichever is later.

No Liability For Refusing Credit

10.2 We are not liable for any loss you suffer relating to our refusal to extend credit for premium payment.

GENERAL

Errors And Omissions

11.1 We may correct clerical or mathematical errors or omissions made in this contract, or in other communication between us and you, and may make any resulting changes.

Subrogation

11.2 If we pay you an indemnity, we are subrogated to your rights concerning the loss. For example, we are entitled to demand that you transfer to us your rights in the damaged property and any right of action you may have against any person, by reason of whose conduct we are obliged to pay the indemnity.

Notices

11.3 A notice from us to you or from you to us must be in writing and may be given in person or by email, fax or mail unless this contract specifies otherwise.

Waiver

11.4 No waiver of any term or of any breach of this contract is effective unless it is in writing, signed by us.

IF YOU BREACH CONTRACT

Remedies

12.1 If you breach a term of this contract, falsely describe the nature of, location of, or acreage of Flower Bulb, knowingly misrepresent or do not disclose any facts required to be disclosed, or fail to discharge your duty of good faith and full disclosure to us, we, unless we have consented in writing to the conduct, may at our option, do any or all of the following:

- (a) terminate the contract,
- (b) continue the contract but cancel insurance coverage and pay no indemnity for the current Crop Year, or
- (c) continue the contract but apply an Assessment to the indemnity otherwise payable.

No Indemnity Unless Notice Of Loss Properly Given

12.2 We are not obliged to pay you unless you provide a Notice of Loss complying with this contract.

Contractual Remedies Not A Bar To Other Claims

12.3 If we exercise any of the options in paragraph 12.1, we can still claim damages for any losses incurred as a result of your breach.

No Refund Of Premium

12.4 Even if we exercise any of the options in paragraph 12.1 or the contract terminates due to death, the premium for the Crop Year is deemed earned and remains payable.

ARBITRATION

13.1 All disputes arising out of this contract of insurance must be decided by binding arbitration under the *Arbitration Act*, S.B.C. 2020, c. 2. This excludes the following:

- (a) our offer of coverage, or our refusal to make such an offer;
- (b) our refusal to provide coverage under paragraph 4.4; and
- (c) any of our underwriting decisions, as described in paragraph 4.6.

How To Arbitrate

13.2 If you want a dispute arbitrated, you must:

- (a) deliver to us within 30 days after receiving our decision, a written notice of arbitration stating
 - (i) full details of the loss, including date, location, and cause
 - (ii) the nature of the dispute and
 - (iii) the relief claimed and
- (b) submit with the notice of arbitration a deposit in the form of a certified cheque payable to the Minister of Finance in an amount equal to
 - (i) \$100.00 or,
 - (ii) one percent of the coverage (acres covered X Insurable Value) for that Type of Flower Bulb

whichever is greater.

Hearing

13.3 If you initiate arbitration in accordance with paragraph 13.2, we must appoint a single arbitrator and request the arbitrator to conduct an oral hearing at a time and location set by the arbitrator in consultation with the parties. The arbitrator may conduct a written hearing if both you and we agree. If you do not comply with paragraph 13.2, the arbitrator has no jurisdiction to hear the matter.

Procedures

13.4 The arbitrator has the jurisdiction to determine all procedures in the arbitration.

Decision Binding

13.5 The arbitrator's decision is final and binds you and us, but may be appealed to the Court of Appeal on a question of law if one of s. 59(2)(a) or (b) of the *Arbitration Act* is met.

Written Reasons

13.6 The arbitrator must give written reasons for the decision.

Costs

13.7 The arbitrator has no jurisdiction to award costs to either party under s. 50 of the *Arbitration Act*. We are responsible for the arbitrator's fees and costs. Any party who requests additional services in the arbitration (including translator services, clerk/stenographer services, transcripts) is responsible for the costs of those services, unless we agree to pay them.

Deposit

13.8 The deposit must be refunded to you if the arbitrator decides in your favour or if the decision is mixed and partly in your favour, but is forfeited to us if the arbitrator decides entirely in our favour.

References To The *Arbitration Act*

13.9 All references to the *Arbitration Act* in section 13 are to the Act as amended from time to time, except in sections 13.5 and 13.7, which are references to the Act as of September 1, 2020.

