



# PREPARING TO MEET WITH YOUR INSURANCE PROVIDER

Meeting with your insurance provider can feel a lot like meeting with your lender. Being confident and prepared can go a long way in showing you have what it takes to run a safe and successful operation.

This checklist is intended to help you, your family and/or your business team and employees prepare for meeting with your farm's liability insurance provider. It is not an exhaustive list, and your insurance provider may have other questions and requirements that you need to satisfy to be insured. Plan ahead to give your insurance broker time to talk to insurance companies after speaking with you and visiting your operation.

**Questions?** Contact AgriServiceBC: [AgriServiceBC@gov.bc.ca](mailto:AgriServiceBC@gov.bc.ca) or 1-888-221-7141



Ministry of  
Agriculture, Food  
and Fisheries

## Review your current policy

\_\_\_ 1. Review your policy from your insurance provider. This will help you when researching your policy and in discussing the best cover options with insurance providers.

\_\_\_ 2. Do your current insurance schedules still meet the needs of your farm business? If not, what new needs exist?

\_\_\_ 3. Does your insurance cover liability for any secondary occupations that occur on your farm? (e.g., Guesthouses, farmers' markets, food processing)

\_\_\_ 4. Make a list of the changes you've made to equipment, buildings, or other insurable items. Underwriters may ask to see a list of regular maintenance and updates (roof, plumbing, electrical, etc.) It's also a good idea to call your provider when you buy, sell, or make changes to equipment, buildings, or other insurable items. Have up to date photos of your farm operation on-hand.

\*It's recommended to speak with your current provider and/or your financial institution to seek approval prior to making changes.

**If you don't have a current insurance policy and are a new farmer, review section 4 of the [New Farm Start-Up Guide](#) to help understand the different kinds of insurance you may need.**

## Many insurance providers will ask to inspect your farm/ranch

\_\_\_ 1. Prepare for the farm/ranch inspection:

- a. Tidy: remove debris around the farm/ranch
- b. Organize: Everything in its place and easy to retrieve when requested.
- c. Fires are a concern on farms, and your insurance provider will want to see that each building has a fire extinguisher inspected and tagged within the past 12 months.

\_\_\_ 2. Key areas of what inspectors consider include:

- a. Roof condition, siding condition, all cobwebs should be removed as they are a fire hazard, covers on electrical breaker boxes, all open wires pigtailed & covered. The inspector will likely perform a thermal test on the electrical as well.
- b. Barriers around fuel storage tanks, fences around manure pits.  
Good general maintenance & condition of the farm is imperative & is considered in the type of coverage offered to the client.

\_\_\_ 3. Ask questions. You should feel comfortable asking your agent for help. Many providers have inspectors to help you monitor and proactively reduce your risk. The inspection can be an opportunity to see issues before they arise and determine which risks are covered by your policy.

## Be prepared to share your risk management practices

\_\_\_ 1. Do you follow good management practices? Keep a list and share it with your provider. Explain how it reduces your risk. E.g., Environmental Farm Plan, Beneficial Management Practices, Food Safety Plan, Food Recall Plan, Canada Good Agricultural Practices, FireSmart, Industry Codes of Practice, etc.

\_\_\_ 2. What is your level of compliance with applicable legislation? Compliance could reduce litigation. E.g., Agricultural Environmental Code of Practice, Meat Inspection Regulation, Water Sustainability Act etc.

\_\_\_ 3. Do you store hazardous materials appropriately and do you have a plan should an emergency occur? In particular, your insurer will look for fuel tanks to be 50 feet away from buildings, on a stable foundation (i.e. concrete) and have spill prevention such as a lip around the concrete pad high enough to store the contents of the tank.

\_\_\_ 4. What food safety, or other recommended or required certifications do you have? E.g., FoodSafe, SlaughterRight, CanadaGAP.

\_\_\_ 5. Identify and explain the risk management practices you have in place for your farm. E.g., AgSafe, FireSmart, WCB insurance, production insurance, AgriStability, life insurance, livestock insurance, etc.

\_\_\_ 6. Do you allow third parties to use your property and do you ask for confirmation of their current insurance?

\_\_\_ 7. What is your plan in case your business had to stop due to unexpected events? Insurance products such as business interruption insurance, loss-of-use insurance and accidental dismemberment, blindness or paralysis benefit can all help ease the uncertainty during a time when you need to focus on other things.

\_\_\_ 8. What other insurance products do you have? E.g., Life insurance, insurance coverage for spouses and key personnel, mortgage insurance, loan insurance.

\_\_\_ 9. Do you have a current equipment/tool valuation or depreciation schedule to share with your insurance provider? Asset valuation saves your broker time.

\_\_\_ 10. Do you follow a regular maintenance and site inspection schedule? If so, explain your process, frequency, and documentation. Regular checks and repairs reduce the risk of major injury or events.

\_\_\_ 11. Have you prepared emergency plans in the case of wildfire, floods, or drought? If so, be prepared to show them to your insurance provider.

\_\_\_ 12. Does your spouse and/or key personnel know where all the relevant information, policies and contacts for service providers is stored in the case of your absence?

### **Other considerations when determining the coverage or types of insurance you need**

\_\_\_ 1. What is your current deductible? Is this amount working for you? Increasing deductibles can reduce your monthly premiums. This can be balanced with replacement cost and production loss.

\_\_\_ 2. What are your current coverage levels? Do you know the current cost to rebuild a farm building, including the costs to remove debris? Consider the cost of insurance in relation to the size of the risk. E.g. A hobby farm policy is not intended to cover processing and sales to a third party.

\_\_\_ 3. Consider life insurance for farm succession planning. Life insurance can function as a useful tool to buy out non-farming heirs, resulting in a more equitable transition. More information is available in the [Farm Succession Guide](#).

### **Tools to help you reduce your risk – there are many tools available, here are a few to help get started**

1. Farm Management Canada’s risk assessment and mitigation tool, [AgriShield](#).
  - The Risk Roadmap helps determine the risk categories that are most important to the farm based on the producer’s situation and management practices
  - Helps to rank all the potential risks that could impact your farm for probability and impact and then have a plan to mitigate them
2. [Business Plan](#)
  - Having a good plan shows you considered all the components of a farm/ranch operation
3. [Environmental Farm Plan](#)
  - Helps to identify risk areas within your operation, shows the links to related to legislation, and provides good management practices to aide in addressing the risk
4. [Food Safety Plan](#)
  - Addresses risks related to product liability by reducing risks of cross contamination
5. [FireSmart](#) Plan
  - Addresses wildfire risk on your property
6. [Premises ID](#)
  - An important tool for protecting the health and safety of your livestock and will be mandatory for all producers with animals starting in mid-2022
7. [AgSafe](#)
  - Health and safety plans for agriculture operations
8. In addition to private insurance, consider protecting your business against severe market volatility and disaster situations through the B.C. government’s [Business Risk Management programs](#).

### **In the case of fire insurance, watch for conditions which can nullify the coverage:**

- Improper storage of flammable materials. For siting, sanitation, waste handling, and storage of flammable materials in or within a certain distance of agricultural buildings and the storage of hazardous materials in agricultural buildings, [follow EFP's beneficial practices](#).
- Certain equipment used in or near the building (e.g., heat lamps).
- Buildings that are unoccupied or left vacant for an extended amount of time.
- Zoning bylaws which prevent you from rebuilding on the same location.
- Confirm there is a recognized firehall in your area that will respond to a fire on your property.