

# Production Insurance

BC Ministry of Agriculture and Food

## Forage

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/Forage>



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## **BASIS AND TERM OF CONTRACT**

### **Definitions**

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

- "Appraised Unharvested Yield" has the meaning given in paragraph 7.2;
- "Assessment" has the meaning given in paragraph 7.4;
- "Crop" means a crop of:
  - (a) Forage other than silage corn or
  - (b) Silage corn grown south of the 53<sup>rd</sup> parallel and below 2100 feet elevationthat is insured under this contract;
- "Crop Year" means
  - (a) for Forage other than silage corn, a period starting on December 1 of a year and ending on November 30 of the next year, and
  - (b) for silage corn, a period starting on May 1 of a year and ending on November 30 of that year;
- "Event" has the meaning given to it in section 6.1;
- "Forage" means silage corn (if grown south of the 53<sup>rd</sup> parallel and below 2100 feet elevation), grass, cereals, or legumes intended to be harvested mechanically and stored for use as animal food, but not if the land it grows on is used as pasture or range before harvest;
- "Forage Plant" means a plant insured under this contract that, when mature and healthy, can bear Forage;
- "Forage Supply Loss" has the meaning given in paragraph 2.11;
- "Forage Supply Reference Region" means the following electoral districts, as defined as of April 11, 2017 in the Electoral Districts Act, SBC 2015, c. 39:
  - Peace River North
  - Peace River South
- "Insurable Loss" means any of:
  - (a) Unseeded Acreage Loss (defined in paragraph 2.1),
  - (b) Damage by a Yield Loss Peril that triggers a Reseeding Indemnity (see paragraph 2.4),
  - (c) Yield Loss (defined in paragraph 2.6),
  - (d) Perennial Forage Plant Loss (defined in paragraph 2.7),
  - (e) Damage by a Yield Loss Peril that triggers an indemnity for Forage Supply Loss (see paragraph 2.11);
- "Insurable Value" means the indemnity payable per unit lost that we specify before the Crop Year starts or that you select before the Crop Year starts from the choices we offer, as applicable;

- "Notice of Loss" has the meaning given in paragraph 6.1;
- "Perennial Forage Plant Loss" has the meaning given in paragraph 2.7;
- "Production Guarantee" means the yield of Crop that we guarantee for Yield Loss purposes, being the probable yield as modified by paragraph 8.6 if applicable less the deductible you select before the Crop Year starts from the choices we offer, as specified on a Statement of Premiums and Coverages;
- "Production Insurance Offer" has the meaning given in paragraph 4.12 or 4.13, as applicable;
- "Reseeding Indemnity" has the meaning given in paragraph 2.4;
- "Spring Annual Planting Forage Supply Loss Option" has the meaning given in paragraph 4.6A;
- "Spring Annual Planting Yield Loss Option" has the meaning given in paragraph 4.6;
- "Spring Perennial Plant Loss Option" has the meaning given in paragraph 4.7;
- "Statement of Premiums and Coverages" means a document that sets out your coverage details and premiums for a Crop Year;
- "Total Yield" means the yield of a Crop you produce and harvest in a Crop Year:
  - (a) as modified by paragraph 4.16, if applicable, plus
  - (b) Appraised Unharvested Yield (defined in paragraph 7.2),but excluding Crop containing foreign materials or large quantities of mold, either of which conditions is caused by a Yield Loss Peril, to the extent that we, in our absolute discretion, consider that it is unfit for consumption by beef cows;
- "Type" means, when referring to perennial Forage Plants, one of:
  - (a) perennial Forage Plants that were seeded during the current Crop Year,
  - (b) perennial Forage Plants that were seeded during the previous Crop Year and have, in our opinion, become established, but are neither irrigated nor are high yielding dryland varieties grown in approved area,
  - (c) perennial Forage Plants that were seeded during the previous Crop Year, have, in our opinion, become established, and are irrigated or are high yielding dryland varieties grown in approved area,
  - (d) perennial Forage Plants that were seeded during the Crop Year two years before the current Crop Year, have, in our opinion, become established, and are irrigated or are high yielding dryland varieties grown in approved area, and
  - (e) perennial Forage Plants that were seeded during the Crop Year three years before the current Crop Year, have, in our opinion, become established, and are irrigated or are high yielding dryland varieties grown in approved area;
- "Unseeded Acreage Loss" has the meaning given in paragraph 2.1;
- "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;



- "Yield Determination Form" has the meaning given in paragraph 5.4;
- "Yield Loss" has the meaning given in paragraph 2.6;
- "Yield Loss Peril" has the meaning given in paragraph 2.6.

### **Contract Terms And Formation**

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

- (a) your initial application for insurance and your application for specific coverages in each Crop Year, 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) the Statement of Premiums and Coverages for the Crop Year in question, and
- (e) all terms implied by law, including those applicable terms specified under the Insurance Act S.B.C. 2012, c.37 and in the Insurance for Crops Act, R.S.B.C. 1996, c. 226.

Our acceptance of your original application for insurance creates a contractual relationship between you and us. It continues in force from year to year during your lifetime until terminated according to this document. Details of coverage for each Crop Year are determined in accordance with the procedures described in this contract. If you do not arrange for and pay for a specific coverage by the appropriate deadline in a Crop Year, you do not have that coverage, even though the contract continues in other respects.

### **Changes To Contract**

1.3 We may change the terms of this contract by notifying you of the change 30 days before the start of the Crop Year affected. We may change, without limitation, the kinds of Crops insurable, the perils covered, premium rates, premiums, insurable value choices, deductible choices, deadlines, and general terms of coverage. If you do not agree with the change to the contract, you can cancel it by giving written notice (see paragraph 1.5), or you can elect to not have coverage by not paying your premium (see paragraphs 4.5 and 4.14) by the due date (see paragraph 10.1).

### **Periods Of Coverage**

1.4 Insurance coverage specified on a Statement of Premiums and Coverages is effective:

- (a) for Unseeded Acreage Loss, from the start of the silage corn Crop Year until and including June 10 of that Crop Year,
- (b) for Reseeding Indemnity, from the date of seeding until and including June 10 of the Crop Year,
- (c) for Perennial Forage Plant Loss of perennial Forage Plants growing at the start of the applicable Crop Year, from the start of the applicable Crop Year until the end of that Crop Year,
- (d) for Perennial Forage Plant Loss of perennial Forage Plants covered under the Spring Perennial Plant Loss Option, from the date of seeding until the end of the Crop Year in which they were seeded,
- (e) for Yield Loss from plants, except silage corn, growing at the start of the Crop Year, from the start of the Crop Year until the end of that Crop Year or the day when, in our opinion, the harvesting of the Crop should have been completed, whichever is earlier,

- (f) for Yield Loss from plants covered under the Spring Annual Planting Yield Loss Option, from the date of seeding until the end of the Crop Year in which they were seeded or the day when, in our opinion, the harvesting of the Crop should have been completed, whichever is earlier,
- (g) for Yield Loss from silage corn, from the date of seeding until the end of the Crop Year in which they were seeded or the day when, in our opinion, the harvesting of the Crop should have been completed, whichever is earlier,
- (h) for Forage Supply Loss from plants growing at the start of the Crop Year, from the start of the Crop Year until the end of that Crop Year or the day when, in our opinion, the harvesting of the Crop should have been completed, whichever is earlier, and
- (i) for Forage Supply Loss from plants covered under the Spring Annual Planting Forage Supply Loss Option, from the date of seeding until the end of the Crop Year in which they were seeded or the day when, in our opinion, the harvesting of the Crop should have been completed, whichever is earlier.

**Termination - You Must Give Us Written Notice**

1.5 You may terminate this contract by giving us written notice. The notice takes effect immediately before the start of the next Crop Year.

**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 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. Any applicable reduction in premium due for optional coverages is determined according to a methodology available for viewing at one of our Business Risk Management Branch Offices before the Crop Year starts.

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 the contract is absolutely barred unless commenced within the time set out in the *Insurance Act*.



## **PERILS AND COVERAGE CONDITIONS**

### **Unseeded Acreage Coverage**

2.1 If you obtain coverage for unseeded acreage, we must indemnify you for your inability to seed silage corn ("Unseeded Acreage Loss") before June 11 because of excessive ground moisture. The formula for calculating Unseeded Acreage Loss indemnity is found in paragraph 8.1.

### **Conditions Of Unseeded Acreage Coverage**

2.2 To be eligible for an indemnity for Unseeded Acreage Loss, you must ensure that all of the following conditions are met:

- (a) You must, before the start of the silage corn Crop Year, declare to us all the acreage that, as of the start of the Crop Year, you intend to seed to silage corn.
- (b) You must obtain Yield Loss coverage for silage corn.
- (c) You must advise us on or before June 12 of the number of acres that, as of June 10, you were unable to seed because of excessive ground moisture.
- (d) The acreage affected must be in blocks of 5 acres or more.

### **Land Not Eligible For Unseeded Acreage Coverage**

2.3 The following land does not qualify for Unseeded Acreage Loss coverage:

- (a) acreage under bush or brush, sod, pasture, perennial forage, fall rye or winter wheat at the start of the silage corn Crop Year;
- (b) acreage broken out of bush, brush or other natural state that has not been seeded in a year preceding the current silage corn Crop Year;
- (c) acreage that was not broken out of sod, perennial forage or other perennial crop at least 30 days before the start of the current silage corn Crop Year;
- (d) acreage on which an Unseeded Acreage Loss was suffered in the previous silage corn Crop Year, for which an indemnity was paid, and which was not cultivated (as determined by us) between the time of the loss and the start of the current silage corn Crop Year;
- (e) acreage that in our opinion is subject to repeated flooding or on which excess moisture is a recurring problem.

### **Reseeding Indemnity Coverage**

2.4 If a Crop of silage corn is damaged by a Yield Loss Peril before June 11 to the degree that we estimate, as of the time of inspection, that its Total Yield will be less than its Production Guarantee, you may elect to reseed and receive a reseeding indemnity (a "Reseeding Indemnity").

The formula for calculating Reseeding Indemnity is found in paragraph 8.2

### **Conditions Of Reseeding Indemnity Coverage**

2.5 To be eligible to receive a Reseeding Indemnity you must ensure that all of the following conditions are met:

- (a) You must, before the start of the silage corn Crop Year, declare to us all the acreage that, as of the start of the silage corn Crop Year, you intend to seed to silage corn.
- (b) You must obtain Yield Loss coverage for silage corn.
- (c) You must ask for and obtain our prior written consent to reseed.

(d) You must work down the original planting before reseeding unless we otherwise approve.

(e) You must reseed the affected area to silage corn before June 11.

**You may not claim a Reseeding Indemnity on the same portion of land more than once in a silage corn Crop Year.**

#### **Yield Loss Coverage**

2.6 If you obtain coverage for loss of yield, we must indemnify you for any reduction in yield of a Crop below the Production Guarantee ("Yield Loss") caused by the following (each a "Yield Loss Peril"):

- (a) hail;
- (b) drought;
- (c) excessive moisture, including rainfall and flooding;
- (d) wind;
- (e) uncontrollable insect infestation;
- (f) uncontrollable plant disease;
- (g) fire;
- (h) freeze;
- (i) snow;
- (j) spring frost;
- (k) landslide, or for a Crop of silage corn only;
- (l) uncontrollable wildlife; or
- (m) waterfowl.

The formula for calculating Yield Loss indemnity is found in paragraph 8.3.

#### **Perennial Forage Plant Loss Coverage**

2.7 If you obtain coverage for loss to perennial Forage Plants, we must indemnify you for damage ("Perennial Forage Plant Loss") to perennial Forage Plants described in the definition of "Type" that is caused by a Yield Loss Peril and that, in our opinion, renders at least 5 acres of them no longer economical to maintain: this does not include the loss of a species of perennial Forage Plant within a mixed planting if a viable stand of perennial Forage Plants remains.

The formula for calculating Perennial Forage Plant Loss indemnity is found in paragraph 8.4.

To be eligible for Perennial Forage Plant Loss, you must meet all of the following conditions:

- (a) You must own or lease the lands upon which they grow.
- (b) You must, before the Crop Year starts, provide us with a description of all your perennial Forage Plants by species and age and a map showing their location.

- (c) If you apply for the Spring Perennial Plant Loss Option, you must, before the coverage request deadline (see paragraph 4.7), provide us with a description by species of all your perennial Forage Plants planted that spring and a map showing their location.

**You Must Request Minimum Coverage For Perennial Forage Plants**

2.8 If you request insurance for a Type of perennial Forage Plant under this contract, you must request, at a minimum:

- (a) Yield Loss at the maximum deductible and minimum Insurable Value we specify, and
- (b) Perennial Forage Plant Loss at the maximum deductible and minimum Insurable Value we specify.

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

**You Must Request Minimum Coverage For Silage Corn**

2.9 If you request insurance for silage corn under this contract, you must request, at a minimum:

- (a) Yield Loss at the maximum deductible and minimum Insurable Value we specify, and
- (b) Unseeded Acreage Coverage at the maximum deductible and minimum Insurable Value we specify.

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

**Reseeding Indemnity Part Of Yield Loss Coverage (silage corn)**

2.10 If you are eligible for Reseeding Indemnity coverage and you pay the premium for Yield Loss of silage corn at the maximum deductible and minimum Insurable Value we specify by the due date (see paragraph 10.1), you are, subject to meeting all other requirements, covered for Reseeding Indemnity for silage corn for the acres declared.

**Forage Supply Loss Coverage**

2.11 If you obtain coverage for forage supply, we must indemnify you for any reduction in yield of a Crop of Forage other than silage corn below 80% of probable yield (“Forage Supply Loss”) caused by a Yield Loss Peril (see paragraph 2.6), but only in Crop Years during which producers experience the minimum reduction specified in the indemnity formula.

The formula for calculating Forage Supply Loss indemnity is found in paragraph 8.3A.

**Conditions Of Forage Supply Loss Coverage**

2.12 To be eligible for an indemnity for Forage Supply Loss of a Crop of Forage, you must ensure that all of the following conditions are met:

- (a) The Crop must be grown in one or more of the following electoral districts, as defined as of April 11, 2017 in the Electoral Districts Act SBC 2015, c. 39:
- Peace River North
  - Peace River South
  - Cariboo North
  - Cariboo - Chilcotin
  - Prince George - Mackenzie
  - Prince George - Valemount
  - Stikine
  - Nechako Lakes

- (d) You must obtain Yield Loss coverage for the Crop at a minimum of the maximum deductible and minimum Insurable Value we specify.
- (c) You must intend to feed at least 50% of the Crop to livestock.

## **EXCLUSIONS FROM COVERAGE**

### **Exclusions**

3.1 No indemnity is payable for:

- (a) any loss that you could control, including, without limitation, loss resulting from poor management, negligence, or breach of this contract, or
- (b) any loss caused by another person.

### **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.

## **ANNUAL REVISION OF COVERAGE DETAILS FOR FORAGE OTHER THAN SILAGE CORN**

### **Deadline For Changes In Coverage**

4.1 If you want coverage for Forage, other than silage corn, different from the previous Crop Years', we recommend you notify us in writing at least 30 days before the Crop Year starts. In any event, you must, except for spring planting options, request changes and give us all the information we require in support before the Crop Year starts. Deadlines for spring planting options are described in paragraphs 4.6, 4.6A, and 4.7.

### **Deadline For New Applications**

4.2 Persons who are not already insured under the Forage production insurance program and who want coverage for Forage other than silage corn must, except for spring planting options, apply for insurance and provide all the information we require in support before the start of the Crop Year for Forage other than silage corn. Deadlines for spring planting options are described in paragraphs 4.6, 4.6A, and 4.7.

### **Statement Of Premiums And Coverages If No Changes**

4.3 If you are already insured under the Forage production insurance program, we must, 30 days before the start of the Crop Year for Forage other than silage corn, either

- (a) provide you a Statement of Premiums and Coverages for Yield Loss coverage, Forage Supply Loss coverage, and, if you qualify, Perennial Forage Plant Loss coverage for the ensuing Crop Year or
- (b) decline to offer you insurance.

### **Statement Of Premiums And Coverages For New Applicants Or If Changes**

4.4 If you apply for insurance before the deadline or request changes to your policy before the deadline, we must, before the start of the Crop Year for Forage other than silage corn or within 15 days after your application or change request, whichever is later, either

- (a) provide you a Statement of Premiums and Coverages for the ensuing Crop Year or
- (b) decline to offer you insurance.

**Accepting Our Offer Of Coverage (not silage corn)**

4.5 Your payment of premium for a coverage other than for silage corn by the due date (see paragraph 10.1) is your acceptance of our offer of that coverage described in the Statement of Premiums and Coverages: if we do not receive payment by the due date, you are deemed to have rejected our offer and elected to not have that coverage for the ensuing Crop Year.

**Spring Annual Planting Yield Loss Option**

4.6 If you already have Yield Loss coverage (or if you are not insured under the Forage production insurance program and you apply before April 30 of the Crop Year) and you seed annual Forage other than silage corn before June 15 of a Crop Year, you may, no later than 7 days after seeding, ask for Yield Loss coverage of all of (not part of) the annual Forage other than silage corn you seed that Crop Year. (the "Spring Annual Planting Yield Loss Option").

**Spring Annual Planting Forage Supply Loss Option**

4.6(a) If you are eligible for, and ask for, Yield Loss coverage of all of the annual Forage other than silage corn you seed in a Crop Year, you may, only at the same time, also ask for Forage Supply coverage for that Forage ("Spring Annual Planting Forage Supply Loss Option").

**Spring Perennial Plant Loss Option**

4.7 If

(a) you seed perennial Forage before July 1 of a Crop Year, and,

(b) if you are not insured under the Forage production insurance program, you apply by April 30 of a Crop Year,

you may, no later than

(c) July 1, or

(d) 7 days after seeding,

whichever is earlier, request Perennial Forage Plant Loss coverage (the "Spring Perennial Plant Loss Option") on all of (not part of) the perennial Forage you seed that Crop Year.

**Contract Details For Spring Planting Options - Existing Insureds**

4.8 If you already have coverage for Forage other than silage corn, we may, within 14 days after receiving a request for coverage described in paragraphs 4.6, 4.6A, or 4.7, revise your existing coverage. The coverage described on the Statement of Premiums and Coverages replaces your existing coverage except to the extent you decline any of the additional coverage by advising us in writing within 7 days of receiving the Statement of Premiums and Coverages.

**Contract Details For Spring Planting Options - New Applicants**

4.9 If you do not already have coverage for Forage other than silage corn, we may, within 14 days after receiving a request for coverage described in paragraphs 4.6, 4.6A, or 4.7, give you a Statement of Premiums and Coverages. Your payment by the due date (see paragraph 10.1) of the premium for any of the coverages you requested is your acceptance of our offer of that coverage described in the Statement of Premiums and Coverages: if we do not receive payment by the due date, you are deemed to have rejected our offer of that coverage and elected to not have that coverage for the ensuing Crop Year.

## **ANNUAL REVISION OF COVERAGE DETAILS FOR SILAGE CORN**

### **Deadline For Changes In Coverage**

4.10 If you want coverage for silage corn different from the previous Crop Years', we recommend you notify us in writing at least 30 days before the Crop Year starts. In any event, you must request changes and give us all the information we require in support, including a description of any new lands, before the silage corn Crop Year starts.

### **Deadline For New Applications For Silage Corn**

4.11 Persons who are not already insured under the Forage crop insurance program and who want coverage for silage corn must apply for insurance and provide all the information we require in support before the silage corn Crop Year starts.

### **Production Insurance Offer For Silage Corn - If No Changes**

4.12 If you insured silage corn in the previous Crop Year, we must, at least 15 days before the Crop Year starts, either

- (a) provide you a document (a "Production Insurance Offer") setting out our offer of Coverage for the ensuing Crop Year, including Production Guarantees per acre and premiums, or
- (b) decline to offer you insurance.

### **Production Insurance Offer For Silage Corn - New Applicants Or Changes**

4.13 If you apply for insurance for silage corn before the deadline or request changes to your policy before the deadline, we must, before the Crop Year starts or within 15 days after your application (or request, as applicable), whichever is later, either

- (a) provide you a document (a "Production Insurance Offer") setting out our offer of insurance for the ensuing Crop Year, including Production Guarantees per acre and premiums, or
- (b) decline to offer you insurance.

### **Accepting Our Offer For Silage Corn - You Must Pay Premium By Deadline**

4.14 Your payment of premium for silage corn by the due date (see paragraph 10.1) is your acceptance of our offer of that coverage described in the Production Insurance Offer: if we do not receive payment by the due date, you are deemed to have rejected our offer and elected to not have that coverage for the ensuing Crop Year.

### **Effect Of Accepting Our Offer For Silage Corn**

4.15 If you accept a Production Insurance Offer for silage corn, you are covered for the number of acres of silage corn you actually plant (south of the 53<sup>rd</sup> parallel and below 2100 feet elevation) before June 11 on land you declared to us before the start of the Crop Year that you intended to seed. We must provide you with a document (a "Statement of Premiums and Coverages") that sets out your coverage details and premiums for those acres.

### **You Must Give Us A Seeded Crop Report For Silage Corn**

4.16 Once you have finished seeding and, in any event, by June 20, you must give us a report (a "Seeded Crop Report") in the form we require showing seeding details for all silage corn seeded, including legal land description, acres of silage corn seeded, fallow acres, and the dates of actual seeding.

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

4.17 If you do not file a Seeded Crop Report by the required date,

- (a) we may inspect your Crop and complete the Seeded Crop Report for you, in which case that Seeded Crop Report binds you as if you had completed it,

- (b) and we complete the Seeded Crop Report for you, you must pay us our costs of doing so, and
- (c) we may pursue our remedies for breach of contract, including those described in paragraph 12.1

## **UNDERWRITING AND ANNUAL REVISION OF COVERAGE DETAILS - GENERAL**

### **You Must Request Coverage For All Of Your Crop/Plants**

4.18 If you request Yield Loss coverage for a Crop, you must request that coverage for the entire Crop you grow on land you own or lease as of the start of the Crop Year.

If you do not request coverage for the entire Crop or if you request less insurance than may be required by paragraph 4.6, production from the uninsured land will be included in Total Yield of that Crop for adjusting purposes, even though we do not increase your Production Guarantee.

If you request Perennial Forage Plant Loss coverage on a Type of perennial Forage Plant, you must request Perennial Forage Plant Loss coverage on all of the perennial Forage Plants of that Type growing on land you owned or leased at the start of the Crop Year.

If you request Forage Supply Loss coverage for a Crop, you must request that coverage for the entire Crop you grow on land you own or lease as of the start of the Crop Year.

If you do not request coverage for the entire Crop or if you request less insurance than may be required by paragraph 4.6A, production from the uninsured land will be included in Total Yield of that Crop for Forage Supply Loss adjusting purposes, even though we do not increase your probable yield.

### **We May Deny Coverage**

4.19 We may, in our sole discretion, refuse to provide you insurance coverage by giving you written notice before the start of a Crop Year. We may, without limiting the scope of our discretion, refuse coverage based on;

- (a) the area and the site used to grow the plants that will bear the Crop,
- (b) the variety of the plants or Crop, and
- (c) the health and vigor of the plants that will bear the Crop.

### **We May Specify Conditions**

4.20 We may require you to meet conditions to be eligible for insurance coverage.

### **Underwriting In Our Sole Discretion**

4.21 We have the sole discretion to determine underwriting matters, including, without limitation, to establish probable yield of a Crop, premium rates, premiums, deductible choices, insurable value choices, and what Type a perennial Forage Plant is. You have no right to appeal underwriting decisions.

### **Termination Of Contract – Failure to Obtain Coverage**

4.22 If you have not obtained coverage for two consecutive Crop Years and do not obtain coverage at the start of the next Crop Year, this contract terminates at the start of that Crop Year. If you wish to obtain coverage again, you will have to reapply.



## **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 that may affect our risk in insuring you, including the condition of the plants used to grow the Crop, the condition of the equipment used to manage the Crop and plants, changes in the lands that you farm, and your history of losses and production, and
- (b) promptly report to us any change in circumstance or Crop management technique that may affect this contract or an indemnity or premium due under it.

### **Crop Management**

5.3 You must care for and manage the Crop and plants that will bear it according to recognized agricultural management practices; this includes taking reasonable precautions to avoid damage from all hazards, insured or not.

### **Keep Records And Declare Production**

5.4 You must keep complete records of Forage that you produce, harvest, sell, and otherwise come into possession of or dispose of, by bale count, field, and volume. You must, upon completing harvest, complete, sign, and deliver to us a document (a "Yield Determination Form") in a form we specify, which gives full details of those records.

### **Right To Enter And To Inspect Records**

5.5 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 Crop or plant grown or stored on it,
- (b) determine whether a proposed Crop or plant that will bear it 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, and
- (e) adjust a claim for indemnity, including, without limitation, determine the extent and cause of loss, the size of the area involved, and the number and age of Forage Plants and which of them are no longer economical to maintain.

### **Right To Records Held By Others**

5.6 You authorize us to inspect any records held by other persons pertaining to your Crop or plants 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**

5.7 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**

5.8 You must, upon request, provide us with:

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

**Report Acquired (Uninsured) Crops Immediately**

5.9 If, after the Crop Year starts, you acquire, by ownership or lease, land that produces Crop of a Type for which you are covered under this contract, you must tell us about it immediately.

**Store Crop In A Way That It Can Be Measured**

5.10 You must store all Crop insured under this contract, including discarded Crop, separately from production not insured under this contract and in such a way that we can accurately measure its quantity when adjusting a claim for indemnity.

**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 Crop or Forage Plants (an "Event"), you must give us a notice (a "Notice of Loss") which describes:

- (a) the Event,
- (b) the date(s) the Event occurred,
- (c) the location of the land on which the potentially damaged Crop or Forage Plants grow,
- (d) the Crop or Forage Plants potentially damaged,
- (e) Any agronomic conditions or symptoms observed that indicate there may potentially be damage to the Crop or Forage Plants,
- (f) The potential damage to the Crop, estimated in terms of yield potentially reduced,
- (g) the acres of Forage Plants 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 become aware of an Event,
- (b) with respect to each variety of a Crop which is damaged, the start of harvest of any portion of that variety for which a claim for indemnity is made,
- (c) the end of the period of coverage in the relevant Crop Year (see paragraph 1.4).

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 Crop To Mature**

7.1 After inspecting a Crop, we may require you to allow the Crop to mature.

### **Permission To Abandon Crop**

7.2 If you claim an indemnity for a Crop, you must harvest all of the Crop within a reasonable time after it matures, unless we give written consent not to harvest. Any Crop that you do not harvest is defined as "Appraised Unharvested Yield" (see definition of "Total Yield") unless a Yield Loss Peril prevents you from effectively harvesting and we give written consent not to harvest. We may, in our sole discretion, decide if you are prevented from effectively harvesting, but we must act reasonably in making this decision.

### **Changing Use**

7.3 If you claim an indemnity, you must not remove any plant that produces Forage or work down, pasture, harvest for seed or grain, or use other than to produce Forage, land covered by this contract before we give written consent. Once you do any of these, you must tell us so we may inspect what you have done.

### **We May Reduce Indemnity (Assessments)**

7.4 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 management and plant and crop care practices,
- (b) losses caused by uninsured hazards,
- (c) losses excluded by paragraph 3.1,
- (d) removal of plants or Crop,
- (e) unrecorded Crop disposal,
- (e) not harvesting Crop within a reasonable time after it matures,
- (f) abandoning Crop without obtaining written consent,
- (g) not giving a Notice of Loss by the required deadline (see paragraph 6.3 and subject to our considering the claim at all), and
- (h) your breach of this contract, including falsely describing the nature of, location of, acreage of, or yield of a Crop, 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 Yield and Assessments**

7.5 We may, in our sole discretion, determine Total Yield, Assessments, and area average yields by the most practical and reasonable methods available, including, without limitation, information provided by you, sampling, inspecting, analyzing, measuring, weighing, reviewing documents, comparing records of production from nearby lands, and estimating.

Ensiled yields and yields that have been rained on after baling, in order to be fairly compare with dried yields, will be measured for moisture content and converted to a 15% moisture content equivalent for Forage other than silage corn and to a 0% moisture equivalent for silage corn.

If there is a discrepancy between information provided by you and information obtained by us from other sources, we may use the latter to determine an indemnity.

#### **Separate Adjustment**

7.6 Yield Loss for silage corn and for Forage other than silage corn are adjusted separately. Yield Loss, Forage Supply Loss, and Perennial Forage Plant Loss are adjusted separately. Perennial Forage Plant Losses of each Type of perennial Forage Plant are adjusted separately, and the indemnities and any applicable deductibles are calculated separately.

#### **Maximum Indemnity**

7.7 The cumulative maximum indemnity payable in a Crop Year for Yield Loss and Reseeding Indemnity for a Crop of silage corn is (Production Guarantee) X (Insurable Value).

#### **Adjusting Costs Covered**

7.8 You are obliged to pay 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 CALCULATIONS**

#### **Unseeded Acreage Loss Indemnity**

8.1 An indemnity for Unseeded Acreage Loss is calculated according to the following formula:

(total acres unseeded at June 11 minus the deductible that we specify or, if applicable, that you select before the Crop Year starts from the choices we offer) X Insurable Value

#### **Reseeding Indemnity**

8.2 A reseeded indemnity is calculated according to the following formula:

(total acres reseeded to Silage Corn) X Insurable Value

Paragraph 7.7 describes a maximum indemnity.

#### **Yield Loss Indemnity**

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

(Production Guarantee for Yield Loss purposes - Assessments - Total Yield) X Insurable Value

#### **Forage Supply Loss Indemnity**

8.3 An indemnity for Forage Supply Loss is calculated according to the following formula:

(80% of probable yield – Assessments – Total Yield) X Insurable Value

but an indemnity is only payable if, for a given Crop Year:

the sum of the Total Yields of Forage, excluding silage corn, produced by all producers growing Forage in the Forage Supply Reference Region who are insured under the Forage production insurance program

is less than 60% of

the sum of the probable yields of Forage, excluding silage corn, of all producers growing Forage in the Forage Supply Reference Region who are insured under the Forage production insurance program.

### **Perennial Forage Plant Loss Indemnity**

8.4 An indemnity for Perennial Forage Plant Loss is calculated according to the following formula:

(Acres of perennial Forage Plants of each Type suffering Perennial Forage Plant Loss and removed with our written consent - Assessments) X (Insurable Value for that Type of Forage Plant)

minus

the deductible for that Type of Forage Plant that we specify or, if applicable, that you select before the Crop Year starts from the choices we offer.

### **Effect Of Claiming Loss Of Established High Yield Or Irrigated Plants**

8.5 If we become obliged to pay an indemnity for Perennial Forage Plant Loss suffered by an area of perennial Forage Plants of a Type described in subparagraph c), d), or e) of the definition of Type, the actual production for that Crop Year from any portion of the area reseeded to Forage will be included in calculating your yield.

### **Effect Of Claiming Loss Of Other Established Plants**

8.6 If we become obliged to pay an indemnity for Perennial Forage Plant Loss suffered by an area of perennial Forage Plants of a Type described in subparagraph (b) of the definition of Type and the area is reseeded to annual Forage in that Crop Year, we may modify your probable yield (and consequently your Production Guarantee) to account for that change. The actual production for that Crop Year from any portion of the area reseeded to annual Forage will be included in calculating your yield.

## **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, occurs:

- (a) the Crop is harvested,
- (b) you provide a Yield Determination Form and we verify its contents,
- (c) you establish that an insured peril caused the loss,
- (d) the land is worked down or put to a use other than to produce Forage, if we so require,
- (e) you provide evidence of the removal of perennial Forage Plants for which a Perennial Forage Plant Loss claim is made,
- (f) you provide a Canada Revenue Agency income tax reporting number, or
- (g) 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 and the calculations used to determine it.

### **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:

- (a) for Forage other than silage corn, before
  - (i) the start of the Crop Year or
  - (ii) the 15th day after the approval date on the Statement of Premiums and Coverages,whichever is later, and
- (b) for silage corn, before
  - (i) the start of the Crop Year, or
  - (ii) 15 days after the approval date on the Production Insurance Offer,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, acreage of, or yield of a Crop, 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 The premium for the Crop Year is deemed earned if we exercise any of the options in paragraph 12.1 or the contract terminates due to death.

### **Effect On Premium Of Overstating Insurable Interest**

12.5 If you overstate the quantity of the Crops and plants to be insured, you must pay premium on the basis of that overstatement, even though we use the actual measured quantities to recalculate the insurance coverage and determine the amount of any indemnity.

## **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 annual offer of coverage, or our refusal to make such an offer, under any of paragraphs 4.3, 4.4, 4.8, 4.9, 4.12 and 4.13;
- (b) our refusal to provide coverage under paragraph 4.19; and
- (c) any of our underwriting decisions, as described in paragraph 4.21.

### **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
  - (iv) (ii) the grounds for the appeal and



- (b) submit with the notice of arbitration a deposit in the form of a certified cheque payable to the Minister of Finance and Corporate Relations in an amount equal to
  - (i) \$100.00, or
  - (ii) for an arbitration concerning Yield Loss, Forage Supply Loss, or both, one percent of the Production Guarantee for Yield Loss purposes times the Insurable Value for Yield Loss purposes, or
  - (iii) for an arbitration concerning Perennial Forage Plant Loss, one percent of the acres of all of your perennial Forage Plants of that Type times the applicable Insurable Value, or
  - (iv) for an arbitration concerning Unseeded Acreage Loss, one percent of the acres insured times the Insurable Value

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.

