

Production Insurance

BC Ministry of Agriculture and Food

Vegetable

Quantity

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/Vegetables>



CONTENTS

BASIS AND TERM OF CONTRACT

- 1.1 Definitions
- 1.2 Contract Terms And Formation
- 1.3 Changes To Contract
- 1.4 Periods Of Coverage
- 1.5 Termination - You Must Give Us Written Notice
- 1.6 Contract Ends Upon Death
- 1.7 No Transfer Of Insurance Without Consent
- 1.8 No Indemnity Unless You Retain Insurable Interest
- 1.9 Single Form of Coverage For Type Of Vegetable
- 1.10 Limitation of Actions

PERILS AND COVERAGE CONDITIONS

- 2.1 Yield Loss Coverage
- 2.2 Seed Potato Quality Loss Coverage

EXCLUSIONS FROM COVERAGE

- 3.1 Exclusions
- 3.2 We Decide What You Can Control

UNDERWRITING AND ANNUAL REVISION OF COVERAGE DETAILS

- 4.1 Deadline For Changes In Coverage
- 4.2 Deadline For New Applications
- 4.3 Production Insurance Offer - If No Changes
- 4.4 Production Insurance Offer - New Applicants or Changes
- 4.5 Accepting Our Offer Of Coverage
- 4.6 Effect Of Accepting Our Offer
- 4.7 You Must Request Coverage For All Of Your Crop
- 4.8 We May Deny Coverage
- 4.9 We May Specify Conditions
- 4.10 Underwriting In Our Sole Discretion
- 4.11 Planting Deadlines
- 4.12 Seeded Crop Report And Deadlines
- 4.13 We Can Charge You For Completing The Report If You Are Late
- 4.14 Seeded Crop Inspection - Reduction Of Production Guarantee
- 4.15 Insurance Coverage And Premium
- 4.16 Termination of Contract – Failure to Obtain Coverage

YOUR DUTIES

- 5.1 Information You Give Must Be Accurate
- 5.2 You Have A Duty Of Good Faith And Full Disclosure
- 5.3 Crop Management
- 5.4 Keep Records And Declare Production
- 5.5 Right To Enter And To Inspect Records
- 5.6 Right To Records Held By Others
- 5.7 You Must Provide Information
- 5.8 You Must Show Insurable Interest
- 5.9 Report Acquired And Late Planted (Uninsured) Crops Immediately
- 5.10 Store Crop In A Way That It Can Be Measured

NOTICE OF LOSS

- 6.1 You Must Give Detailed Notice Of Loss
- 6.2 How To Give A Notice Of Loss
- 6.3 Deadline For Giving Notice Of Loss

ADJUSTING LOSS

- 7.1 We May Require Crop To Mature
- 7.2 Permission To Abandon Crop
- 7.3 Permission To Remove Plants
- 7.4 We May Reduce Indemnity (Assessments)
- 7.5 We Have Right To Determine Yield And Assessments
- 7.6 Separate Adjustment
- 7.7 Adjusting Costs Covered
- 7.8 Adjustments To Indemnity Based On Maturity Of Crop
- 7.9 Direct Seeded Process Broccoli, Cabbage, And Process Cauliflower
- 7.10 Transplanted Process Broccoli, Process Brussels Sprouts, Cabbage, And Process Cauliflower
- 7.11 Carrots, Onions, Nugget Potatoes, And Potatoes (non-nugget)
- 7.12 Determining Shortfall For Partial Stage Losses
- 7.13 Determining Shortfall For Partial Stage Losses (Potatoes (non-nugget))
- 7.14 Deemed Allocation Of Losses Between Stages

INDEMNITY CALCULATIONS

- 8.1 Yield Loss Indemnity
- 8.2 Yield Loss Indemnity For Stage Adjusted Vegetables
- 8.3 Yield Loss Indemnity for Process Beans
- 8.4 Yield Loss Indemnity for Potatoes (non-nugget)
- 8.5 Stage Yield Loss Indemnity for Potatoes (non-nugget)
- 8.6 Quality Loss Indemnity for Seed Potatoes

INDEMNITY PAYMENT

- 9.1 Things That Must Happen Before Indemnity Is Payable
- 9.2 Payment And Claim Summary Report
- 9.3 Cashing Cheque Means Satisfaction
- 9.4 Set-Off
- 9.5 Assigning Indemnity
- 9.6 Only One Assignment Allowed

PREMIUM PAYMENT

- 10.1 Premium Due Date
- 10.2 No Liability For Refusing Credit
- 10.3 Interest On Overdue Premiums

GENERAL

- 11.1 Errors and Omissions
- 11.2 Subrogation
- 11.3 Notices
- 11.4 Waiver

IF YOU BREACH CONTRACT

- 12.1 Remedies
- 12.2 No Indemnity Unless Notice Of Loss Properly Given
- 12.3 Contractual Remedies Not A Bar To Other Claims
- 12.4 No Refund Of Premium
- 12.5 Effect On Premium Of Overstating Insurable Interest

ARBITRATION

- 13.1 Exclusions From Arbitration
- 13.2 How To Arbitrate
- 13.3 Hearing
- 13.4 Procedures
- 13.5 Decision Binding
- 13.6 Written Reasons
- 13.7 Costs
- 13.8 Deposit
- 13.9 Reference To The Arbitration Act

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;
- "Class" means, when referring to potatoes (non-nugget) (including seed potatoes), a distinct category (for example, elite 1) described on a list available for viewing at one of our Business Risk Management Branch Offices from before the start of a Crop Year;
- "Crop" means a crop of a Type of Vegetable that is insured under this contract;
- "Crop Year" means a period starting on April 1 of a year and ending on March 31 of the next year for all coverages except Seed Potato Quality Loss, which runs from the date of planting to and including May 31 of the following calendar year;
- "Cull" means a Vegetable that does not meet the minimum requirements for all grades of that Vegetable type as set out in the Canadian Grade Compendium prepared by the Canadian Food Inspection Agency.
- "Declaration of Production" has the meaning given in paragraph 5.4;
- "Event" has the meaning given to it in paragraph 6.1;
- "Insurable Loss" means any of
 - (a) Yield Loss (defined in paragraph 2.1) and
 - (b) Seed Potato Quality Loss (defined in paragraph 2.2);
- "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;
- "Minimum Coverage" means Yield Loss coverage at the Insurable Value and deductible we specify;
- "Notice of Loss" has the meaning given in paragraph 6.1;
- "plant", used as a verb, means, if plants have been raised for transplanting, to transplant to the permanent position and otherwise to directly seed to the permanent position;
- "Planting Deadline" has the meaning given in paragraph 4.11;
- "process", used as an adjective in the name of a Type of Crop or Vegetable, means the Crop is intended by the grower to be sold to a processor;
- "Production Guarantee" means:
 - (a) with respect to all Crops except process beans and potatoes (non-nugget), the yield of Crop that we guarantee, 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,
 - (b) with respect to a Crop of process beans, the value of Crop that we guarantee, being the sum of
 - (probable yield of whole beans) X (Insurable Value for whole beans) and
 - (probable yield of regular beans) X (Insurable Value for regular beans),

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

- (c) with respect to a Crop of potatoes (non-nugget) for Yield Loss purposes and with respect to Seed Potato Quality Loss, the value of Crop that we guarantee, being the sum of

(probable yield of each Class) X (Insurable Value for that Class),

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 4.3 or 4.4;
- "Seed Potato Quality Loss" has the meaning given in paragraph 2.2;
- "Seeded Crop Report" has the meaning given in paragraph 4.12;
- "Stage Adjustment Factor" has the meaning given in paragraph 7.8;
- "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 4.7, if applicable, plus
 - (b) Appraised Unharvested Yield (defined in paragraph 7.2)minus culls
- "Type" means, when referring to Vegetables or a Crop of Vegetables, one of process beans (including whole beans and regular beans), process broccoli, process brussels sprouts, early cabbage, late cabbage, carrots, process cauliflower, process corn, onions, shallots, process peas (including regular and small sieve), potatoes (non-nugget) (which includes seed potatoes), and nugget potatoes;
- "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;
- "Vegetable" means any of process beans (including whole beans and regular beans), process broccoli, process brussels sprouts, early cabbage, late cabbage, carrots, process cauliflower, process corn, onions, shallots process peas (including regular and small sieve), potatoes (non-nugget) (which includes seed potatoes), and nugget potatoes;
- "Yield Loss" has the meaning given in paragraph 2.1

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 Production Insurance Offer, the completed form showing details of your request for coverage, all Seeded Crop Reports, and the Statement of Premiums and Coverages for the Crop Year in question, and

- (e) all terms implied by law, including any 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. 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 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 signing and returning your Production Insurance Offer by the due date (see paragraph 4.5) or by not paying your plan premium by the due date (see paragraph 10.1(a)).

Periods Of Coverage

- 1.4** Insurance coverage for each Type of Vegetable in a Crop Year, is effective:

- (a) from the time of each distinct planting, or
- (b) if a Seeded Crop Report for a distinct planting is not filed within the time required by paragraph 4.12, once that Seeded Crop Report is filed,

until, in the same Crop Year

- (c) the day when, in our opinion, the harvesting of the Crop should have been completed or

- (d) in the case of

- (i) process beans, early cabbage, carrots, process corn, onions, shallots, process peas, nugget potatoes, and potatoes (non-nugget) (except for Seed Potato Quality Loss coverage), October 15,
- (ii) process broccoli and process cauliflower, October 31,
- (iii) process brussels sprouts and late cabbage, November 30, and
- (iv) seed potato quality loss, May 31 of the following calendar year,

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 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. Any applicable reduction in premium due 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.

Single Form of Coverage For Type of Vegetable

1.9 Coverage for some vegetables is available under both this policy wording and another (Vegetable Acreage Loss) policy wording. You cannot have both at the same time.

If you do select coverage under this contract for a Type of Vegetable described in column one below at the same time as you select coverage under a Vegetables Acreage Loss contract for a type of vegetable described on the same row in column two, the coverage under this contract is in effect and the coverage under the Vegetables Acreage Loss contract for that type of vegetable does not take effect.

Column One (Quantity Loss)	Column Two (Acreage Loss)
process broccoli	broccoli
process brussels sprouts	brussels sprouts
early cabbage	early cabbage
late cabbage	late cabbage
carrots	carrots
process cauliflower	cauliflower
onions	onions
nugget potatoes	nugget potatoes
potatoes (non-nugget) elite 1 seed potatoes, elite 2 seed potatoes, or elite 3 seed potatoes	potatoes (non-nugget), elite 1 seed potatoes, elite 2 seed potatoes, or elite 3 seed potatoes
	beets
	fresh market corn
	parsnips
	rutabagas
shallots	
process peas	
process beans	

Limitation of Actions

1.10 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

Yield Loss Coverage

2.1 If you obtain coverage for loss of yield, we must indemnify you for any reduction in yield (of a Crop of other than process beans, or potatoes (non-nugget)) or any reduction in value (of a Crop of process beans, or potatoes (non-nugget)) below the Production Guarantee ("Yield Loss") caused by:

- (a) hail;
- (b) spring frost;

- (c) drought; except for process broccoli and process cauliflower
- (d) excessive moisture, including rainfall and flooding;
- (e) wind;
- (f) extreme heat;
- (g) freeze;
- (h) snow;
- (i) unpreventable uncontrollable disease;
- (j) unpreventable uncontrollable insects; or
- (k) fire.

The formulas for calculating Yield Loss indemnity are found in paragraphs 8.1 to 8.5.

Seed Potato Quality Loss Coverage

2.2 If you obtain coverage for loss of seed potato quality, we must indemnify you for a loss of quality ("Seed Potato Quality Loss") of a Crop of seed potatoes of a Class we cover, grown in the Pemberton seed potato control area, and certified by Agriculture Canada as being caused by bacterial ring rot. You must obtain Yield Loss coverage for potatoes (non-nugget) to be eligible for Seed Potato Quality Loss coverage.

The formula for calculating Seed Potato Quality Loss indemnity is found in paragraph 8.6.

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,
- (b) any loss resulting from controllable insects, controllable diseases, weeds, or animals,
- (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 or not, that occurs after harvest (except in the case of Seed Potato Quality Loss) or after the date you should have harvested, including, without limitation, losses that occur while the Crop is being stored.

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 ANNUAL REVISION OF COVERAGE DETAILS

Deadline For Changes In Coverage

4.1 If you want coverage 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 before the Crop Year starts. You should tell us, in a form we specify and selecting from the choices we offer,

- (a) the Types of Vegetables you want covered,

- (b) the Insurable Value for each Type of Vegetable, and
- (c) the deductible for each Type of Vegetable,

and the total area of land you own or lease that produces the Type of Vegetable you want covered.

Deadline For New Applications

4.2 Persons who are not already insured under a Vegetable Production Insurance (Quantity Based or Acreage Loss) program must apply for insurance and provide all the information we require in support before the start of the Crop Year.

Production Insurance Offer - If No Changes

4.3 If you are already insured under the Vegetable Production Insurance (Quantity Based or Acreage Loss) program, we must, at least 30 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 the following:
 - (i) Production Guarantees per acre for Types of Vegetables that you grew last Crop Year,
 - (ii) Insurable Value and deductible choices for Types of Vegetables that you grew last Crop Year, and
 - (iii) premium costs for Types of Vegetables that you grew last Crop Year, or
- (b) decline to offer you insurance.

Production Insurance Offer - New Applicants or Changes

4.4 If you apply for insurance 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 the following:
 - (i) Production Guarantees per acre for Types of Vegetables that you advise us that you plan to grow in the upcoming Crop year,
 - (ii) Insurable Value and deductible choices for Types of Vegetables that you advise us that you plan to grow in the upcoming Crop year, and
 - (iii) premium costs for Types of Vegetables that you advise us that you plan to grow in the upcoming Crop year, or
- (b) decline to offer you insurance.

Accepting Our Offer Of Coverage

4.5 You indicate your acceptance of our Production Insurance Offer and agree to pay the premium for that coverage by

- (a) signing and returning a copy to us before the start of the Crop Year or within 15 days after the approval date on the Production Insurance Offer, whichever is later, and
- (b) paying the plan premium by the due date (see paragraph 10.1(a)).

If you do not sign and return the Production Insurance Offer as required, or if we do not receive the plan premium by the due date, you are deemed to have rejected our offer and elected to not have coverage for the ensuing Crop Year.

Effect Of Accepting Our Offer

4.6 If you accept a Production Insurance Offer, you are covered for the number of acres of each Type of Vegetable selected that you actually plant by the Planting Deadline on land you own or lease as of the Planting Deadline. You must pay premium based on the number of acres planted (but if you overstate your planting, paragraph 12.5 applies).

You Must Request Coverage For All Of Your Crop

4.7 If you request coverage for Yield Loss of a Type of Vegetable or for Seed Potato Quality Loss, you must request coverage for the entire crop of Seed Potatoes or that Type of Vegetable that is planted on land you own or lease as of the Planting Deadline for that Type of Vegetable. If you do not do this, 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.

We May Deny Coverage

4.8 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 Crop,
- (b) the variety of the Type of Crop,
- (c) in the case of process Vegetables, your not having a contract with a processor to purchase the Crop, and
- (d) your failure to pay premiums when due.

We May Specify Conditions

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

Underwriting In Our Sole Discretion

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

Planting Deadlines

4.11 Insurance is not effective for land planted to Vegetables after the following applicable dates (each a "Planting Deadline"):

carrots	July 7
early cabbage (seeded)	June 15
early cabbage (transplanted)	June 30
late cabbage (seeded)	June 15
late cabbage (transplanted)	June 30
nugget potatoes	June 20
potatoes (non-nugget)	June 20
process beans	July 10
process broccoli (seeded)	July 11
process broccoli (transplanted)	July 25
process brussels sprouts (seeded)	June 1
process brussels sprouts (transplanted)	June 15
process cauliflower (seeded)	July 1
process cauliflower (transplanted)	July 15
process corn	June 10
process peas	July 5
onions	May 7
shallots	May 7

Seeded Crop Report And Deadlines

4.12 You must give us a report (a "Seeded Crop Report") in the form we require showing planting details for each Type of Vegetable planted before its Planting Deadline, including field description and size and the dates of actual planting by variety 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 file a Seeded Crop Report to satisfy the following:

- (a) we must have notice of every distinct planting of seed within 14 days after the planting and
- (b) we must have notice of every distinct planting of transplants, within 7 days after the planting.

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

4.13 If you do not file a Seeded Crop Report by the required date, in addition to the start of your insurance coverage being delayed in accordance with paragraph 1.4(b), the following applies:

- (a) we may, but are not obliged to, inspect your Crops and complete the Seeded Crop Report for you, in which case that Seeded Crop Report binds you as if you had completed it,
- (b) if 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.

Seeded Crop Inspection - Reduction Of Production Guarantee

4.14 Once you have finished planting, we can inspect your Crop. If we determine that:

- (a) it has suffered from an uninsured hazard,
- (b) it was planted on lands of lower productivity than the lands on which you grew that Type of Crop in previous Crop Years, or
- (c) in the case of a late filing of a Seeded Crop Report, loss, even if caused by an otherwise insured peril, occurred before your insurance coverage started,

we can reduce your Production Guarantee per acre for that Type of Vegetable from that shown on the Production Insurance Offer. This is to account for the effect those factors will have on your probable yield.

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

Insurance Coverage And Premium

4.15 We must provide you a Statement of Premiums and Coverages that sets out your coverage details, including your final Production Guarantees, Insurable Values, and premiums for the Crop Year. If the Production Guarantee per acre is reduced after a seeded crop inspection, the reduced value is used to calculate premiums.

Termination of Contract – Failure to Obtain Coverage

4.16 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 equipment used to manage the Crop, 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 and horticultural techniques; 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 the Types of Vegetables you have insured that you produce, harvest, sell, and otherwise come into possession of or dispose of, whether all of them are insured or not, by Type of Vegetable, variety, lot, and weight. You must, upon completing harvest, complete, sign, and deliver to us a document (a "Declaration of Production") in a form we specify, that 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 Crop that is 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 insured under this contract.

Report Acquired And Late Planted (Uninsured) Crops Immediately

5.9 If, after the relevant Planting Deadline, you acquire, by ownership or lease, land that produces Crop of a Type for which you are covered under this contract or if you plant a Type of Vegetable after its Planting Deadline, 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 (an “Event”), you must give us a notice (“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 Crop grows,
- (d) the Crop potentially damaged,
- (e) any agronomic conditions or symptoms observed that indicate there may potentially be damage to the Crop,
- (f) the potential damage to the Crop, estimated in terms of yield or value potentially reduced, as applicable,
- (g) the acres of the Crop 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 the event,
- (b) the completion of harvest of the Crop,
- (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 of that Type within a reasonable time after it matures, unless we give written consent not to harvest (any Crop that you refrain from harvesting with our written consent is defined as "Appraised Unharvested Yield").

Permission To Remove Plants

- 7.3** If you claim an indemnity for a Type of Vegetable, you must not remove any plant that produces that Type of Vegetable before we give written consent. Once you do this, 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,
 - (f) not harvesting Crop within a reasonable time after it matures,
 - (g) abandoning Crop without obtaining written consent,
 - (h) not giving a Notice of Loss by the required deadline (see paragraph 6.3 and subject to our considering the claim at all), and
 - (i) 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 determine Total Yields, 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

- 7.6** Losses of each Type of Vegetable are adjusted separately. The indemnities and any applicable deductibles are calculated separately. Potato (non-nugget) Yield Loss is calculated separately from Seed Potato Quality Loss.

Adjusting Costs Covered

- 7.7** 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.

Adjustments To Indemnity Based On Maturity Of Crop

- 7.8** Crops are classified into stages to reflect their state of maturity and the money and effort expected to be used to get them to that stage. An indemnity payable according to a formula in paragraphs 8.1 to 8.6 may include an adjustment factor (a "Stage Adjustment Factor") determined by us as follows:

the value of the money and effort you actually expended on the Crop divided by the value of the money and effort a reasonable grower would have expended on the Crop by the end of the stage and compared to the maximum described in paragraphs 7.9 to 7.11.

Direct Seeded Process Broccoli, Cabbage, And Process Cauliflower

- 7.9** Three stages apply to a seeded crop of process broccoli, early cabbage, late cabbage, or process cauliflower, as follows:

- (a) Stage 1 runs from the seeding date until, but not including, the 25th day after the seeding date. If an Insurable Loss occurs during Stage 1, the maximum Stage Adjustment Factor is 40%.
- (b) Stage 2 runs from the 25th day after the seeding date until, but not including:
 - (i) in the case of early cabbage, late cabbage, or process cauliflower, the 75th day after the seeding date, and
 - (ii) in the case of process broccoli, the 60th day after the seeding date;If an Insurable Loss occurs during Stage 2, the maximum Stage Adjustment Factor is 70%.
- (c) Stage 3 runs from the day after the last day of Stage 2 until harvest is completed. If an Insurable Loss occurs during Stage 3, the maximum Stage Adjustment Factor is 100%.

Transplanted Process Broccoli, Process Brussels Sprouts, Cabbage, And Process Cauliflower

7.10 Four stages apply to a transplanted Crop of process broccoli, process brussels sprouts, early cabbage, late cabbage, or process cauliflower, as follows:

- (a) Stage 1 runs from the transplanting date until, but not including, the 25th day after the transplanting date. If a Crop of process broccoli, early cabbage, late cabbage, or process cauliflower suffers an Insurable Loss during Stage 1, the maximum Stage Adjustment Factor is 55%. If a Crop of process brussels sprouts suffers an Insurable Loss during Stage 1, the maximum Stage Adjustment Factor is 50%.
- (b) Stage 2 runs from the 25th day after the transplanting date until, but not including:
 - (i) in the case of process broccoli, the 50th day after the transplanting date, and
 - (ii) in the case of process brussels sprouts, early cabbage, late cabbage, or process cauliflower, the 65th day after the date of transplanting.If a Crop of process broccoli, early cabbage, late cabbage, or process cauliflower suffers an Insurable Loss during Stage 2, the maximum Stage Adjustment Factor is 70%. If a Crop of process brussels sprouts suffers an Insurable Loss during Stage 2, the maximum Stage Adjustment Factor is 75%.
- (c) Stage 3 applies only to process brussels sprouts and runs from the 65th day after the transplanting date until the 90th day after the transplanting date. If an Insurable Loss occurs during Stage 3, the maximum Stage Adjustment Factor is 90%.
- (d) Stage 4 runs from:
 - (i) in the case of process broccoli, early cabbage, late cabbage, or process cauliflower, the 65th day after the transplanting date,
 - (ii) in the case of process brussels sprouts, the 90th day after the transplanting date,until harvest is completed. If an Insurable Loss occurs during Stage 4, the maximum Stage Adjustment Factor is 100%.

Carrots, Onions, Shallots, Nugget Potatoes, And Potatoes (non-nugget)

7.11 Two stages apply to a Crop of carrots, onions, shallots, nugget potatoes, or potatoes (non-nugget) as follows:

- (a) Stage 1 runs from the planting date until the Planting Deadline. If an Insurable Loss occurs during Stage 1, the maximum Stage Adjustment Factor is 50%.
- (b) Stage 2 runs from the first day after the Planting Deadline until harvest is completed. If an Insurable Loss occurs during Stage 2, the maximum Stage Adjustment Factor is 100%.

Determining Shortfall For Partial Stage Losses

7.12 If an Insurable Loss affects part only of a Crop (except a Crop of potatoes (non-nugget)) at a time when the Stage Adjustment Factor is less than 100%, the extent of loss will be adjusted as follows:

area of planting of Type of Crop suffering Insurable Loss divided by

total area of planting of Type of Crop

multiplied by Production Guarantee for that Type of Crop

equals deemed production shortfall for that stage.

Determining Shortfall For Partial Stage Losses (Potatoes (non-nugget))

7.13 If an Insurable Loss affects part only of a Crop of potatoes (non-nugget) at a time when the Stage Adjustment Factor is less than 100%, the extent of loss will be adjusted as follows:

area of planting of each Class suffering Insurable Loss divided by

total area of planting of that Class

multiplied by 80% of the probable yield of that Class X Insurable Value for that Class

equals deemed production shortfall for that Class for that stage.

Deemed Allocation Of Losses Between Stages

7.14 Crop shortages eligible for indemnity are deemed to occur first at the lowest applicable Stage Adjustment Factor up to the deemed production shortfall for that stage, then at the next highest Stage Adjustment Factor up to the deemed production shortfall for that stage, then consecutively at the next highest stages until the total production shortfall is accounted for.

INDEMNITY CALCULATIONS

Yield Loss Indemnity

8.1 An indemnity for Yield Loss of each Type of Vegetable (except process beans and potatoes (non-nugget)), is calculated according to the following formula if the only applicable Stage Adjustment Factor is 100%:

[Production Guarantee - Assessments - Total Yield]
X Insurable Value

The Stage Adjustment Factor is 100% unless otherwise specified in this contract.

Yield Loss Indemnity For Stage Adjusted Vegetables

8.2 An indemnity for Yield Loss of each Type of Vegetable except, process beans, and potatoes (non-nugget) is calculated according to the following formula if a Stage Adjustment Factor of less than 100% applies:

The sum of (Stage Adjustment Factor X Shortfall allocated to that stage)

X Insurable Value

where Shortfall equals (Production Guarantee - Assessments - Total Yield)

Yield Loss Indemnity For Process Beans

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

Production Guarantee minus

(Total Yield plus Assessments) for whole beans X Insurable Value for whole beans

minus

(Total Yield plus Assessments) for regular beans X Insurable Value for regular beans.

Yield Loss Indemnity For Potatoes (non-nugget)

8.4 An indemnity for Yield Loss of potatoes (non-nugget) is calculated according to the following formula if the only applicable Stage Adjustment Factor is 100%:

Production Guarantee minus

the sum of [(Total Yield of each Class plus Assessments for that Class)

X Insurable Value for that Class]

Stage Yield Loss Indemnity for Potatoes (non-nugget)

8.5 An indemnity for Yield Loss of potatoes (non-nugget) is calculated according to the following formula if a Stage Adjustment Factor of less than 100% applies:

The sum of (Stage Adjustment Factor X Shortfall allocated to that stage)

where Shortfall equals (probable yield - deductible for each Class - Assessments for that Class - Total Yield for that Class) X Insurable Value for that Class.

Quality Loss Indemnity for Seed Potatoes

8.6 An indemnity for Seed Potato Quality Loss is calculated according to the following formula:

(Production Guarantee for Seed Potato Quality Loss purposes minus Assessments) or Total Yield, whichever is lower

X (Insurable Value - Residual Value)

where Residual Value is determined by us according to a methodology available for viewing at one of our Business Risk Management Branch Offices from before the start of the Crop Year in question.

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 Declaration of Production 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 Vegetables,
- (e) you provide a Canada Revenue Agency income tax reporting number, or
- (f) 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 at the following applicable times:

- (a) the plan premium is due on the day before the Crop Year starts or 15 days after the approval date on the Production Insurance Offer, whichever is later and
- (b) all other premiums are due on the 15th day after the approval date on the Statement of Premiums and Coverages.

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.

Interest On Overdue Premiums

10.3 Interest on overdue premiums is payable according to the Interest on Overdue Accounts Receivable Regulation, B.C. Reg 214/83.

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 either of paragraphs 4.3 or 4.4;
- (b) our refusal to provide coverage under paragraph 4.8; and
- (c) any of our underwriting decisions, as described in paragraph 4.10.

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) for an arbitration concerning Yield Loss or reduction of Production Guarantee per acre of all Types of Vegetable except process beans, and potatoes (non-nugget), one percent of the Production Guarantee for that Type of Vegetable times the Insurable Value for that Type of Vegetable, or
- (iii) for an arbitration concerning Yield Loss or reduction of Production Guarantee per acre of process beans, or potatoes (non-nugget) or concerning Seed Potato Quality Loss, one percent of the Production Guarantee for that Type of Vegetable,

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.

