

# Production Insurance

BC Ministry of Agriculture

## Understanding your Grape Vine and Fruit Tree Claim



***Disclaimer:*** This guide contains general information only; it does not form part of any insurance contract.

Please refer to the Tree Fruit or Grape Policy Wording for The Continuous Specified Perils Production Insurance Contract.

## Introduction

Some of your most important farm assets are your grape vines and fruit trees. Damage to these productive assets can have severe, long-term consequences to the viability of your farm business. By purchasing Production Insurance you have taken steps to reduce your risk and uncertainty. It is important for you to understand what you have purchased and what the expectations are in the event of a loss.

This document is intended to give you a thorough understanding of the vine and fruit tree claim process.

If, after careful review of this document, you are not sure about how your claim would be determined, please contact your local Production Insurance office for a full explanation.

**Remember, your insurance needs may vary from year to year or any time there are changes to your farm operation.** Please take the time to review your insurance coverage with your local Production Insurance office:

- For GRAPES - before the end of October
- For TREE FRUIT – before the end of November

It is your responsibility to ensure that the following information is accurate and up to date:

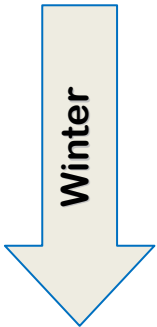
- Accurate tree/vine count (by block and by variety)
- Map of farm (detailing each parcel or unique block and variety)
- Packing house number or winery contract
- If leased, a current and legal lease agreement

If the information is not accurate, delays, reductions, or complete denial of a claim is possible.

What follows are the steps that take place after your trees or vines have been damaged. Please take the time to read this carefully. Pay particular attention to your responsibilities under the contract of insurance.

**CLAIM PROCESS**

**YOU** - File a NOL  
**YOU** - Submit a Proof of Loss Report  
**WE** – send an Adjuster to verify your loss  
**WE** – notify you that you can remove/cut back your damaged vines/trees  
**YOU** – remove the damaged vines/trees  
**YOU**- notify us the removals are done  
**WE** – confirm the removals  
**WE** – approve and pay the claim



**STEP 1 - File a Notice of Loss (NOL):**

**You must file a Notice of Loss (NOL) as soon as you suspect damage to your vines or trees and before the end of the Crop Year that the damage occurred.**

Prior to filing your Notice of Loss (NOL), inspect your vineyard/orchard to:

- determine the pattern of damage (by variety, location, etc.),
- determine the nature of the damage to the tree/vine (buds, limbs, cordons, trunk, etc), and
- estimate the overall extent of damage as a percentage of your total plant tree/vine inventory.

When filing a Notice of Loss (NOL) you **must** give the following detailed information:

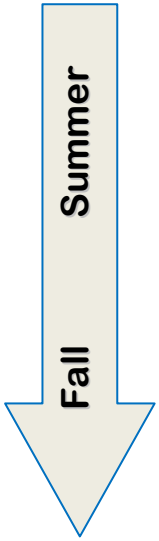
- the **date(s) of the event** that caused the damage,
- each location and variety for which you suspect damage, and
- estimate the damage extent as a percent damaged by variety, lot location and by total number of plants.

### Confirming your Notice of Loss

You may file your Notice of Loss (NOL) by telephone or in person at your local Production Insurance office.

If you are filing in person ensure that you receive and retain a copy of the Notice of Loss (NOL).

A **NOL Confirmation letter** will be mailed to you. Check the information in the letter carefully as this represents proof that a Notice of Loss (NOL) has been filed. If you have not received a confirmation letter within two weeks of filing the NOL, contact your local Production Insurance office.



## STEP 2 – Document your loss (Proof of Loss)

Once the growing season is underway and damage starts to become more evident, your Production Insurance Representative will provide you with a **Proof of Loss Report** and will instruct you on how to properly document the damage.

You will be asked to detail the locations of damage and the pattern of damage by variety, lot or topography.

**It is in your best interest to provide detailed weather records that point to the peril event(s).**

Often the full extent of damage does not manifest until veraison (wine and fresh grapes) or the peak of summer weather and crop load stress. Filling out your Proof of Loss report after this time will give a much more accurate picture of the extent of damage.

### **Vine Loss + Crop Loss!**

Make sure you file a separate crop loss NOL when you file your tree/vine loss NOL. If you do not receive two NOL Confirmation letters within 2-3 weeks ... **CALL US ASAP!**

### **Grape Vine Top Loss**

*... what is it?*

Vine Top Loss damage is where:

- ✓ Vines are not dead yet no crop can be expected from the current or following season and;
- ✓ the best management practice is to re-train the trunk and cordons and;
- ✓ in our opinion, the vine tops are uneconomical to maintain.

**Production Insurance pays for damaged grape vines when:**

- Damage was directly caused by a verified, insured peril event and,
- Damage pattern is consistent, and
- All claim criteria as set out in the Policy Wording have been met.

You must fill out the Proof Of Loss report accurately and return it to us **BEFORE September 15th** of the Crop Year when the damage occurred.

### **Fruit Tree Loss**

*...when is a tree 'dead'?*

A fruit tree may qualify for an indemnity when, in our opinion, the tree is uneconomical to maintain.

**Production Insurance pays for damaged fruit trees when:**

- Damage was directly caused by a verified, insured peril event and,
- All claim criteria as set out in the Policy Wording have been met and,
- Proper tree management practices have been followed.

## STEP 3 – Verify the cause of loss and the extent of damage.

**Cause of Loss** – a critical step in determining your claim

Production Insurance pays very particular attention to validating the insured peril that you report may have caused Vine or Fruit Tree loss.

We work hard to make sure losses that qualify for an indemnity are consistent with the area, varietal and management experience. By doing so we're able to maintain the low premium rates and high premium support levels that the grape and tree fruit industries have worked hard to achieve.

Based on the information **you** provided in the Notice of Loss (NOL) and Proof of Loss report, we will send an Adjuster out to your farm to confirm your declarations.

Where damage is extensive and widespread over a large lot, the Adjuster may audit your plant counts by using a sample for each variety or block.

Where damage is variable, the sample size is increased until it is Representative.

**Note:** If additional damage occurs after the inspection be sure to file additional Notices of Loss (NOL) as required so that you can be certain that all damage is accounted for.



## STEP 4 – Approve the extent of damage.

If we can confirm the extent of your loss, your Production Insurance Representative will let you know that you can go ahead with removing the vines/trees or cut back the Top Loss vines.

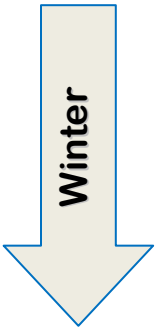
If there are differences between what you report and what we are able to verify, we will let you know at this point.

You can work with us to provide additional details that will support your claim so that we can move the claim forward.

## STEP 5 – Remove the damaged vines/trees

This normally occurs after harvest and through the dormant season.

After you have gone through your orchard or vineyard and removed the damaged plants that were identified in your report and confirmed by us, you must notify your Production Insurance office to tell us you have done so.



For vine/tree loss where the entire plant dies, there is no deadline for removal. However, no indemnity will be paid until removals are complete and then confirmed by Production Insurance.

For Vine Top Loss damage, the deadline for cutting back damaged vines is March 30th of the following Crop Year. Indemnities may be withheld, reduced or denied if this deadline is missed.

## STEP 6 – Confirm removals

After you've let your Production Insurance Representative know that you have removed all damaged vines/trees or have cut back all Top Loss damaged vines, an Adjuster will come out again to confirm that the vines/trees identified in your report, and then confirmed by us, were indeed removed.

## STEP 7 – Finalise your claim

Once we've confirmed the vine/tree removal or Vine Top Loss pruning, we will calculate the claim based on the coverage you purchased and the deductible you selected.

A Claim Summary Letter will be sent to you by mail. The Claim Summary Letter will also have a copy of the indemnity calculation so you can see how your claim was determined. Any indemnity cheque will be mailed to you separately.

If you require further explanation of your claim, contact your local Production Insurance office within 30 days of receiving your Claim Summary Letter and prior to cashing your indemnity cheque.

## Managing your vines or trees after damage

We understand that damage to your trees or vines can be quite upsetting and that you may be anxious to have the damage adjusted. It is important to note that damage to trees and vines may take some time to fully manifest.

When damage occurs in the dormant season it is expected that normal crop and tree/vine management practices will be carried out until the time when the severity of the damage becomes evident (early/late summer).

**Before you deviate from normal management practices (such as grafting or excessive pruning) advise your local Production Insurance office, as this may affect your claim.**

Production Insurance will not advise you on the best management practice for your damaged plants, however it is in your best interest to continue to manage the crop to accepted standards. You should work with your marketing agency, field service, winery or vineyard manager to develop a strategy to maximize the return to health of your orchard or vineyard. Choose a qualified field service or crop consultant to give accurate advice on the horticultural management of your crop and plants.

## **Arranging and Attending the Adjuster's Inspection**

### **Adjuster's role:**

- To confirm that the damage event you have described in the Notice of Loss and the Proof of Loss has occurred,
- To verify that the damage observed is consistent with the weather event,
- To confirm the extent of damage and,
- To report these results to Production Insurance.

## Scheduling:

- Scheduling of inspections depends on when we receive your Notice of Loss and completed Proof of Loss, the type and extent of damage, and the number of claims that Production Insurance Adjusters have to complete.
- Often the full extent of damage does not manifest until the peak of summer weather and crop load stress (i.e. veraison in wine and fresh grapes).
- Production Insurance Adjusters may not adjust until after this time or they may arrive at your farm before this time to do a quick overview for planning purposes.

## Attending the inspection:

- An Adjuster will try to notify you by telephone or will leave a message advising you of the day of the inspection.
- **It is in your best interest to attend the inspection.**
- Adjusters are directed to proceed with the inspection as soon as they arrive at the farm. The inspection will proceed without you.

## Carry over losses

Once injured by a damaging weather event such as freeze, flood or drought, some trees/vines may not die immediately but are visibly and significantly damaged.

These plants may be able to produce blossom and leaves from stored reserves in the surrounding tissue, but will die when this has been depleted. The full extent of tree/vine damage may not be clear until visibly damaged trees/vines have gone through a subsequent growing cycle.

After a severe weather peril kills or damages vines/trees, accounting for any losses the following Crop Year ('carry over') can be difficult. Damaged trees or vines must be inventoried prior to the end of the Crop Year and re-evaluated the following growing season.

For this reason, if trees/vines visibly damaged by the reported peril event have not died (do not qualify for Tree Loss, Vine Loss or Vine Top Loss) by the end of the Crop Year when the peril occurred and where tree/vine survival is uncertain, an indemnity as a result of these losses will be added to the original claim amount in the following Crop Year if all the following conditions have been met:

- 1. Trees/vines that are visibly damaged by the reported Peril event must be identified by the insured and verified by the Adjuster in the Crop Year the peril occurred;**
2. These previously identified trees/vines collapse prior to veraison or peak summer stress of the next Crop Year;
3. All other claim criteria as set out in the Policy Wording;
4. All recommended farm management practices have been followed.

If you have concerns about the timing of inspections or the claim adjusting process, please contact your Production Insurance Representative.

## Your responsibility when reporting Carry Over losses:

Submit a Notice of Loss as soon as you become aware of further damage and before 15 August of the following Crop Year.

When filing a Notice of Loss (NOL) you **must** give the following detailed information:

- the **date(s) of the event** that caused the damage,
- the **claim number** from the previous year's loss,
- each location and variety for which you suspect damage, and
- estimate the damage extent as a percent damaged by variety, lot location and by total number of plants.

### Confirming your Notice of Loss

You may file your Notice of Loss (NOL) by telephone or in person at your local Production Insurance office.

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# Production Insurance

## BC Ministry of Agriculture

### Kelowna

250-712-3797

1-888-332-3352

### Oliver

250-498-5250

1-888-812-8811

Visit the Ministry of Agriculture website for more information:

<http://www.gov.bc.ca/agribusinessriskmanagement>

Production Insurance is supported by both the federal and provincial governments and is delivered by the British Columbia Ministry of Agriculture.

Production Insurance  
Business Risk Management Branch  
Ministry of Agriculture  
British Columbia

Understanding your Vine and Fruit Tree claim. April 1, 2014