

Production Insurance

BC Ministry of Agriculture and Food

Vegetable Acreage Loss

**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 – Existing Insured
- 1.5 Periods Of Coverage – New Applicants
- 1.6 Termination - You Must Give Us Written Notice
- 1.7 Contract Ends Upon Death
- 1.8 No Transfer Of Insurance Without Consent
- 1.9 No Indemnity Unless You Retain Insurable Interest
- 1.10 Single Form of Coverage For Type of Vegetable
- 1.11 Limitation of Actions

PERILS AND COVERAGE CONDITIONS

- 2.1 Acreage 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 Minimum Acres
- 4.9 We May Deny Coverage
- 4.10 We May Specify Conditions
- 4.11 Underwriting In Our Sole Discretion
- 4.12 Planting Deadlines
- 4.13 Seeded Crop Report And Deadlines
- 4.14 We Can Charge You For Completing The Report If You Are Late
- 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 Right To Enter And To Inspect Records
- 5.5 Right To Records Held By Others
- 5.6 You Must Provide Information
- 5.7 You Must Show Insurable Interest
- 5.8 Report Acquired And Late Planted (Uninsured) Crops Immediately

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 Qualifying For Indemnity
- 7.3 We May Reduce Indemnity (Assessments)
- 7.4 We Have Right To Determine Insurable Loss And Assessments
- 7.5 Separate Adjustment
- 7.6 Adjusting Costs Covered
- 7.7 Adjustments To Indemnity Based On Maturity Of Crop
- 7.8 Stages for Cabbage and Brussels sprouts
- 7.9 Stages for Carrots, Onions, And Potatoes
- 7.10 No Maturity Staging for Other Vegetables

INDEMNITY CALCULATIONS

- 8.1 Indemnity Formula
- 8.2 Indemnity Formula For Field Grown Lettuce

INDEMNITY PAYMENT

- 9.1 Things That Must Happen Before Indemnity Is Payable
- 9.2 Payment and Claim Summary Report
- 9.3 Claim Summary Report By Mail
- 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 Non-Arbitration Means Satisfaction
- 13.3 How To Arbitrate
- 13.4 Hearing
- 13.5 Procedures
- 13.6 Decision Binding
- 13.7 Written Reasons
- 13.8 Costs
- 13.9 Deposit
- 13.10 Reference To The Arbitration Act

BASIS AND TERM OF CONTRACT

Definitions

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

- "Assessment" has the meaning given in paragraph 7.3;
- "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;
- "Destroyed Acres" means acres of Crop which we agree are eligible for indemnity and which you destroy by tillage or by some other method that we have agreed to;
- "Event" has the meaning given to it in paragraph 6.1;
- "Insurable Loss" has the meaning given in paragraph 2.1;
- "Insurable Value" means the indemnity payable per acre 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;
- "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 4.12;
- "Seeded Crop Report" has the meaning given in paragraph 4.13;
- "Stage Adjustment Factor" has the meaning given in paragraph 7.7;
- "Statement of Premiums and Coverages" has the meaning given in paragraph 4.15;
- "Type" means, one of beets, broccoli, brussels sprouts, early cabbage, late cabbage, carrots, cauliflower, field grown lettuce, fresh market corn, onions, parsnips, potatoes (non-nugget), nugget potatoes, elite 1 seed potatoes, elite 2 seed potatoes, elite 3 seed potatoes, baby spinach, organic baby spinach, mixed baby leaves, organic mixed baby leaves, and rutabagas.
- "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 beets, broccoli, brussels sprouts, early cabbage, late cabbage, carrots, cauliflower, field grown lettuce, fresh market corn, onions, parsnips, potatoes (non-nugget), nugget potatoes, elite 1 seed potatoes, elite 2 seed potatoes, elite 3 seed potatoes, baby spinach, organic baby spinach, mixed baby leaves, organic mixed baby leaves, and rutabagas.

Contract Terms And Formation

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

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

Our acceptance of your original application for insurance creates a contractual relationship between you and us. 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 1.6), 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 – Existing Insureds

1.4 If you are already insured under the Vegetable Production Insurance (Quantity Based or Acreage Loss) program, insurance coverage is effective:

- (a) for carrots, onions, potatoes (all Types), and for transplanted crops,
 - (i) from the date of each distinct planting or
 - (ii) if a Seeded Crop Report for a distinct planting is not filed within the time required by paragraph 4.13, the day that the Seeded Crop Report is filed; and
- (b) for seeded crops, except carrots, onions and potatoes (all Types), from the earlier of:
 - (i) the day we inspect and confirm that a distinct planting has successfully established or
 - (ii) 14 days after the date we receive notification of the distinct planting by way of a Seeded Crop Report;

until, in the same Crop Year, the earlier of:

- (c) the day when, in our opinion, the harvesting of the Crop (in the case of plants that are intended to be harvested more than once, this means the first harvesting) should have been completed; or
- (d) November 30 for beets, broccoli, brussels sprouts, early cabbage, late cabbage, carrots, cauliflower, field grown lettuce, onions, parsnips, potatoes (non-nugget), nugget potatoes, elite 1 seed potatoes, elite 2 seed potatoes, elite 3 seed potatoes, and rutabagas and October 31 for fresh market corn, baby spinach, organic baby spinach, mixed baby leaves, and organic mixed baby leaves.

Periods Of Coverage – New Applicants

1.5 If you are not already insured under the Vegetable Production Insurance (Quantity Based or Acreage Loss) program, insurance coverage is effective the later of:

- (a) the date you accept our Production Insurance Offer;

- (b) for carrots, onions, potatoes (all Types), and for transplanted crops,
 - (i) from the date of each distinct planting or
 - (ii) if a Seeded Crop Report for a distinct planting is not filed within the time required by paragraph 4.13, the day that the Seeded Crop Report is filed; or
- (c) for seeded crops except for carrots, onions and potatoes (all Types), from the earlier of:
 - (i) the day we inspect and confirm that a distinct planting has successfully established or
 - (ii) 14 days after the date we receive notification of the distinct planting by way of a Seeded Crop Report;until, in the same Crop Year, the earlier of:
 - (d) the day when, in our opinion, the harvesting of the Crop (in the case of plants that are intended to be harvested more than once, this means the first harvesting) should have been completed; or
 - (e) November 30 for beets, broccoli, brussels sprouts, early cabbage, late cabbage, carrots, cauliflower, field grown lettuce, onions, parsnips, potatoes (non-nugget), nugget potatoes, elite 1 seed potatoes, elite 2 seed potatoes, elite 3 seed potatoes, and rutabagas and October 31 for fresh market corn, baby spinach, organic baby spinach, mixed baby leaves and organic mixed baby leaves.

Termination - You Must Give Us Written Notice

- 1.6 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

- 1.7 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

- 1.8 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

- 1.9 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

- 1.10 Coverage for some vegetables is available under both this policy wording (Vegetable Acreage Loss) and another (Vegetable Quantity Based) 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 Quantity Based contract for a type of vegetable described on the same row in column two, the coverage under the Vegetables Quantity Based contract is in effect and the coverage under this contract for that Type of Vegetable does not take effect.

Column One (Acreage Loss)	Column Two (Quantity Loss)
broccoli	process broccoli
brussels sprouts	process brussels sprouts
early cabbage	early cabbage
late cabbage	late cabbage
carrots	carrots
cauliflower	process 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	
field grown lettuce	
fresh market corn	
parsnips	
rutabagas	
baby spinach	
organic baby spinach	
mixed baby leaves	
organic mixed baby leaves	
	shallots
	process peas
	process beans

Limitation of Actions

1.11 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

Acreage Loss Coverage

2.1 If you obtain acreage loss coverage, we must indemnify you for any acres of Crop that are damaged by:

- (a) hail;
- (b) spring frost;
- (c) drought; except for broccoli and 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

so that they are no longer economical to maintain (“Insurable Loss”), that are approved for destruction by us, and that you destroy.

The formulas for calculating indemnity are found in paragraphs 8.1 and 8.2.

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,
- (e) any loss, whether caused by an insurable peril (as listed in paragraph 2.1) or not, that occurs after harvest, or
- (f) any loss resulting from failure to irrigate, unless water for irrigation is unavailable due to drought.

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 the Vegetable Production Insurance (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) Insurable Value and deductible choices for Types of Vegetables that you grew last Crop Year, and
 - (ii) 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 coverage for the ensuing Crop Year, including the following:
 - (i) Insurable Value and deductible choices for Types of Vegetables that you advise us that you plan to grow in the upcoming Crop Year, and
 - (ii) 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 acreage loss coverage for a Type of Vegetable, you must request coverage for the entire Crop of that Type of Vegetable that is planted on land you own or lease as of the Planting Deadline for that Type of Vegetable.

Minimum Acres

- 4.8 A minimum of 3 acres of a Type of Vegetable (10 acres for fresh market corn) must be intended for planting. If you do not plant at least 3 acres (10 acres for fresh market corn), you have no coverage under this contract for that Type of Vegetable.

We May Deny Coverage

- 4.9 We may, in our sole discretion, refuse to provide you insurance. We may, without limiting the scope of our discretion, refuse coverage based on:
- (a) the area and the site used to grow the Crop,
 - (b) the variety of the Type of Crop,
 - (c) the Crop being planted prior to normal planting times appropriate to the variety and region as determined by us, and
 - (d) your failure to pay premiums when due.

We May Specify Conditions

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

Underwriting In Our Sole Discretion

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

Planting Deadlines

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

baby spinach	August 31
beets	August 1
broccoli (seeded)	July 11
broccoli (transplanted)	July 25
brussels sprouts (seeded)	June 1
brussels sprouts (transplanted)	June 15
early cabbage (seeded)	June 15
early cabbage (transplanted)	June 30
late cabbage (seeded)	June 15
late cabbage (transplanted)	June 30
carrots	July 7
cauliflower (seeded)	July 1
cauliflower (transplanted)	July 15
elite 1 seed potatoes	June 20
elite 2 seed potatoes	June 20
elite 3 seed potatoes	June 20
field grown lettuce (seeded)	July 25
field grown lettuce (transplanted)	July 31
fresh market corn	June 30
mixed baby leaves	August 31
nugget potatoes	June 20
onions	May 7
organic baby spinach	August 31
organic mixed baby leaves	August 31
parsnips	June 1
potatoes (non-nugget)	June 20
rutabagas	June 30

Seeded Crop Report And Deadlines

4.13 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 give us notice of your planting details within the following deadlines:

- (a) within 14 days after planting for every distinct planting of seed for beets, broccoli, brussels sprouts, early cabbage, late cabbage, carrots, cauliflower, field grown lettuce, fresh market corn, onions, parsnips, potatoes (non-nugget), nugget potatoes, elite 1 seed potatoes, elite 2 seed potatoes, elite 3 seed potatoes, and rutabagas; and
- (b) within 7 days after planting for every distinct planting of baby spinach, organic baby spinach, mixed baby leaves, organic mixed baby leaves; and,
- (c) within 7 days after the planting for every distinct planting of transplants.

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

- 4.14 If you do not file a Seeded Crop Report by the required date, in addition to the start of your insurance coverage for some Crops possibly being delayed in accordance with paragraph 1.4 and 1.5, 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.

Insurance Coverage And Premium

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

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, and your history of losses and production
 - (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.

Right To Enter And To Inspect Records

- 5.4 You must allow any agent we appoint, at any reasonable time, to enter upon your land to:
- (a) inspect and measure your land and any 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.
 - (f) verify Destroyed Acres for the purpose of adjusting a claim.

Right To Records Held By Others

5.5 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

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

You Must Show Insurable Interest

5.7 You must, upon request, provide us with:

- (a) full details of the location of the lands upon which the 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

5.8 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.

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) and the Crop potentially damaged,
- (e) any agronomic conditions or symptoms observed that indicate there may potentially be damage to the Crop, and
- (f) 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 an Event,
- (b) the start of harvest of the Crop,
- (c) the end of the period of coverage in the relevant Crop Year (see paragraph 1.4 or 1.5, as applicable)

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

ADJUSTING LOSS

We May Require Crop To Mature

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

Qualifying For Indemnity

7.2 If you claim an indemnity for a Crop:

- (a) We must determine the acres of the Crop damaged by insurable perils;
- (b) We may determine that while some damage due to insurable perils has occurred, the damage is so slight that no indemnity will be paid for the acres of Crop affected;
- (c) You must decide whether to destroy the damaged acres of Crop to qualify for an indemnity or to keep the damaged acres of Crop for harvest;
- (d) You must destroy the damaged acres of Crop that we have agreed on prior to any harvest taking place, by tillage or by some other method that we have agreed to, or you must otherwise deal with the Crop as directed by us;
- (e) You must not harvest the acres of Crop for which you are claiming an indemnity. Acres of Crop that you harvested or salvaged will not qualify for an indemnity;
- (f) You must not destroy any acres of Crop before you have our written consent to do so. Once you have destroyed the damaged acres of Crop, you must tell us so that we can inspect what you have done.

We May Reduce Indemnity (Assessments)

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

- (a) poor 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 Insurable Loss And Assessments

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

Separate Adjustment

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

Adjusting Costs Covered

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

Adjustments To Indemnity Based On Maturity Of Crop

7.7 Some Crops are classified into stages to reflect their state of maturity and the expected variable costs used to grow them to that stage. The indemnity payable according to the formula in paragraph 8.1 includes an adjustment factor (a "Stage Adjustment Factor") that is set out either in paragraph 7.10 or in a table available for viewing online or at one of our Business Risk Management Branch Offices from before the Crop Year starts.

If a Crop of a Type of Vegetable suffers an Insurable Loss during a stage, the Stage Adjustment Factor for that stage applies.

Stages for Cabbage and Brussels Sprouts

7.8 Three stages apply to a Crop of early cabbage, late cabbage, or brussels sprouts as follows:

- (a) Stage 1 runs from the time of planting until, but not including, the 25th day after planting.
- (b) Stage 2 runs from the 25th day after planting until, but not including
 - (i) in the case of early cabbage or late cabbage, the 50th day after planting and
 - (ii) in the case of brussels sprouts, the 65th day after planting.
- (c) Stage 3 runs from
 - (i) in the case of early cabbage or late cabbage, the 50th day after planting and
 - (ii) in the case of brussels sprouts, the 65th day after planting

until the end of the coverage period.

Stages for Carrots, Onions, And Potatoes (all Types)

7.9 Two stages apply to a Crop of carrots, onions, or potatoes of any Type as follows:

- (a) Stage 1 runs from the time of planting until, but not including, the 25th day after planting.
- (b) Stage 2 runs from the 25th day after planting until the end of the coverage period.

No Maturity Staging for Other Vegetables

7.10 Maturity staging does not apply to beets, broccoli, cauliflower, field grown lettuce, baby spinach, organic baby spinach, mixed baby leaves, organic mixed baby leaves, fresh market corn, parsnips, or rutabagas: the Stage Adjustment Factor is 100% for these.

INDEMNITY CALCULATION

Indemnity Formula

8.1 An indemnity for each Type of Vegetable, except field grown lettuce, is calculated according to the following formula:

$$(\text{Destroyed Acres} - \text{Deductible}) \times \text{Insurable Value} \times \text{Stage Adjustment Factor}$$

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

Indemnity Formula for Field Grown Lettuce

8.2 An indemnity for field grown lettuce is calculated by the following formula:

$$[(\text{Destroyed Acres of field grown head lettuce} / \text{Destroyed Acres of field grown lettuce}) \times (\text{Destroyed Acres of field grown lettuce} - \text{Deductible}) \times \text{field grown head lettuce Insurable Value}] + [(\text{Destroyed Acres of field grown leaf lettuce} / \text{Destroyed Acres of field grown lettuce}) \times (\text{Destroyed Acres} - \text{Deductible}) \times \text{field grown leaf lettuce Insurable Value}]$$

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

INDEMNITY PAYMENT

Things That Must Happen Before Indemnity Is Payable

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

Payment And Claim Summary Report

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

Claim Summary Report By Mail

- 9.3 If the claim summary report is sent by ordinary mail, you are deemed to have received it the seventh day after it is mailed.

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

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

Exclusions From 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 4.9; and
- (c) any of our underwriting decisions, as described in paragraph 4.11.

Non-Arbitration Means Satisfaction

- 13.2** If you do not initiate arbitration in accordance with paragraph 13.3 within 30 days after receiving your claim summary report under paragraph 9.2, you are deemed to be satisfied with the settlement of your claim.

How To Arbitrate

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

Hearing

- 13.4** 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

- 13.5** The arbitrator has the jurisdiction to determine all procedures in the arbitration.

Decision Binding

- 13.6** 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

- 13.7** The arbitrator must give written reasons for the decision.

Costs

- 13.8** 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

- 13.9** 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*

- 13.10** 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.

