



Hail Insurance Contract 2021



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HAIL INSURANCE CONTRACT TERMS AND CONDITIONS

PART 1 - INTERPRETATION

1.01 Definitions. In this Contract:

"AgrilInsurance Contract" means the contract of insurance issued to the Insured pursuant to the AgrilInsurance Regulation under The Manitoba Agricultural Services Corporation Act as it may be amended or replaced from time to time;

"Application" means the application for a Contract, on the form and in the manner that the Corporation makes available for that purpose from time to time, made by the Insured or some other person authorized in that behalf;

"Contract" means this Hail Insurance Contract, the Application and the Hail Insurance Regulation under The Manitoba Agricultural Services Corporation Act;

"Continuous Hail Insurance Option" means the selection made by an Insured under Section 10.01, provided the Insured otherwise qualifies to make such selection, to have this Contract automatically renew from Crop Year to Crop Year;

"Harvesting Bonus" means the amount by which the percentage of yield loss or damage caused directly by hail or fire or both as determined by the Corporation exceeds 70%, to a maximum of 10 percentage points;

"Insured" means a Person to whom a Hail Insurance Contract has been issued;

"Insured Crop" means an Insurable Crop insured under this Contract;

"Optional CHIO Crop" means a crop that is not eligible to be insured under the Continuous Hail Insurance Option unless it is specifically selected by the Insured to have the Continuous Hail Insurance Option apply to it, namely, rutabagas, Cooking Onions, parsnips, carrots, Other Onions, cabbage, cauliflower, broccoli, sweet corn, strawberries, peppers, leeks, Winter Squash, pumpkins, Greenfeed, Silage Corn, Processing Potatoes, Table Potatoes, Select Hay Types, Basic Hay, Pedigreed Timothy Seed, Alfalfa Seed, Perennial Ryegrass Seed, Annual Ryegrass Seed, tall fescue seed, Organic Crops or such other crop as the Corporation may declare from time to time and notify the Insured (in such manner as the Corporation determines) as being an Optional CHIO Crop;

"Yield Loss Indemnity" means the percentage of yield loss or damage adjusted for any Harvesting Bonus payable under this Contract, to a maximum of 100%, multiplied by the Acreage affected by the loss or damage, all as established by the Corporation,

multiplied by the dollar selection for the affected Insured Crop.

1.02 Capitalized Terms. Capitalized terms which are not defined in this Contract have the same meaning as given to such terms in the AgrilInsurance Contract.

PART 2 - SCOPE OF INSURANCE

2.01 Period of Insurance. Subject to the terms and conditions of this Contract, insurance is provided by the Corporation for loss or damage caused directly by hail or fire or both that occurs to Insured Crops from the effective time specified in the Application, or if the Insured has selected the Continuous Hail Insurance Option and it is still in effect, from the beginning of the applicable Crop Year, in each case until the earlier of:

- (i) the time the Insured Crop is Harvested, or
- (ii) midnight on October 21 of the year in which insurance under this Contract is to apply.

2.02 Alternate Use Exception. Notwithstanding Subsection 2.01(i), where an Insured Crop is put to an alternate use and such alternate use is for the purpose of cutting the Insured Crop for greenfeed, the insurance shall continue until the greenfeed is removed from the windrow by baling or other means.

2.03 Insurable Interest. This Contract is void if, at the time at which it would otherwise take effect, the Insured has no insurable interest in the Insured Crop selected for hail insurance under this Contract.

2.04 Supplemental Applications. If more than one Application for a Contract is completed by an Insured and accepted by the Corporation, and the Insured has made more than one dollar selection for any type of Insurable Crop, the dollar selection in the last Application made by the Insured shall be applied for the purposes of calculating any Yield Loss Indemnity payable thereafter, provided that once loss or damage has occurred in respect of an Insured Crop, the Insured shall not be entitled to change the dollar selection for that Insured Crop to a dollar selection less than the dollar selection in effect at the time the loss or damage occurred. Provided no loss or damage has occurred in respect of the Insured Crop, the Premium payable by the Insured shall be determined on the basis of the last dollar selection made by the Insured. Once a Yield Loss Indemnity is paid or payable in respect of an Insured Crop, the Corporation is deemed to have earned the full amount of the Premium paid or payable in respect of that Insured Crop. If the Insured has selected the Continuous Hail Insurance Option, then this Section does not apply to the Insured Crops insured under the Continuous Hail Insurance Option.

2.05 Cancellation by Insured. Subject to Section 10.08, if this Contract is cancelled in accordance with its terms and provided no Yield Loss Indemnity has been paid or is payable under this Contract, the Corporation shall be deemed to have earned the short date premium for the time the Contract has been in force, all as set forth in the Short Date Cancellation Table compiled by the Corporation. The Contract will be deemed to have been cancelled effective from the post-marked day of mailing of the notice of cancellation, or if the notice of cancellation is delivered in person or sent by facsimile transmission, upon the day of actual receipt by the Corporation.

2.06 Sale of Land. If an Insured sells all or a portion of the Acreage insured under this Contract, the insurance for the Insured Crops on that Acreage so transferred for which no Yield Loss Indemnity is payable is deemed cancelled effective from the date of such transfer and the Corporation shall be deemed to have earned the short date premium for the time the Contract has been in force for that Acreage, all as set forth in the Short Date Cancellation Table compiled by the Corporation.

2.07 Premium Payment Deadline. All amounts owing under this Contract by the Insured to the Corporation must be paid in full on or before March 31 of the year following the year in which insurance is to apply, failing which the Corporation may refuse to provide a Hail Insurance Contract to that Insured and cancel the AgrilInsurance Contract of that Insured. If the Continuous Hail Insurance Option has been selected and the amounts referred to above have not been paid by the date provided, then the Corporation may cancel this Contract and the AgrilInsurance Contract of that Insured.

2.08 Strawberry Eligibility. Strawberries are eligible for hail insurance under this Contract notwithstanding they are not an Insurable Crop under the AgrilInsurance Contract, but only when the strawberry plant has established and is no longer eligible for Strawberry Establishment Insurance under the AgrilInsurance Contract. Any reference in this Contract to an Insurable Crop or Insured Crop shall be deemed to include strawberries.

2.09 Novel Crops. Novel Crops are not eligible for the Continuous Hail Insurance Option.

PART 3 - NOTICE OF LOSS AND INSPECTION

3.01 General Notice. If an Insured Crop is lost or damaged by hail or fire or both, the Insured shall notify the Corporation within three business days of the loss or damage occurring, stating when and how the loss occurred and, if caused by hail, the day and hour of the storm and, if caused by fire, how the fire originated, so far as the Insured knows or believes. The Insured shall

also state the estimated damage to each portion of the Insured Crop.

3.02 Losses Prior to Acceptance. If loss or damage occurs to an Insured Crop by reason of hail or fire or both after the submission of the Application, but before the Contract comes into effect, the Insured, within three days of such loss or damage occurring, shall notify the Corporation in writing of the percentage of loss or damage to each Insured Crop for which an Application has been made. At that time, the Insured may request that the Application of that Insured be cancelled, which the Corporation shall accept without charge to the Insured.

3.03 Appraisal of Loss. Upon receipt of notice of loss or damage in accordance with Section 3.01, the Corporation shall appoint an adjustor who shall inspect the loss or damage within 30 days of the occurrence of such loss or damage. In circumstances where the amount of loss or damage cannot be determined within the 30 days, the Corporation may defer such claim until the loss or damage can be accurately determined to the satisfaction of the Corporation.

3.04 Notice of Appraisal. Upon the determination of the loss or damage under Section 3.03, the Corporation may notify the Insured of the results of such determination in writing using the Corporation's email system and otherwise in accordance with Section 12.02. Within that email, the Insured must accept or reject the determination of the loss or damage presented by the Corporation. If the determination is rejected by the Insured, the Insured may appeal the results of such determination in accordance with Part 7 of this Contract. If the determination is not accepted or rejected pursuant to such email within seven days of receipt or deemed receipt of the email, the Insured shall be deemed to have accepted the results of such determination.

3.05 Right of Entry. After any loss or damage to the Insured Crop, the Corporation shall have immediate right of access and entry to the Acreage affected by the loss or damage to enable the Corporation to make an estimate of the loss or damage.

3.06 Access to Records. On demand by the Corporation, the Insured shall furnish the Corporation and its agents and employees with such information relating to the loss or damage as the Corporation may require.

3.07 Nil Claim Fee. If no loss or damage from hail or fire or both is found by the Corporation on a Field of an Insured Crop for which a claim is made, the Corporation may require the Insured to pay the Corporation such fee(s) as the Corporation determines is appropriate for each farm visit and assessment performed.

3.08 Failure to Notify. If the Insured has failed to notify the Corporation of any loss or damage as required by this Contract, whether or not the failure to notify is to the prejudice of the Corporation, the Corporation may refuse to pay a Yield Loss Indemnity.

3.09 Late Notification. Any notice accepted by the Corporation after the dates specified for receipt in this Contract will be without prejudice to any rights the Corporation may have to deny a Yield Loss Indemnity.

3.10 Notice of Loss Form. All notices required or permitted to be given by an Insured under this Contract shall be on the form required by the Corporation for that purpose.

3.11 Final Date. Any request for payment under Section 5.02(ii) must be made by the Insured on or before October 21 of the year in which the loss or damage occurred. Requests not received by that date will not be considered by the Corporation for any *ex gratia* payment that the Corporation may have otherwise made under that Section.

PART 4 - INDEMNITY

4.01 Yield Loss Indemnity. Subject to the terms and conditions of this Contract, where the Corporation establishes that loss or damage has occurred to an Insured Crop as a direct result of hail or fire or both, the Insured is entitled to a Yield Loss Indemnity.

4.02 Calculation of Indemnity. If an Insured Crop has been previously damaged by hail or fire or both, the percentage of yield loss or damage shall be reduced by any prior yield loss or damage in calculating the Yield Loss Indemnity that is payable.

PART 5 - RESTRICTIONS AND UNINSURED CAUSES OF LOSS

5.01 Viable Crop Requirement. If, in the opinion of the Corporation, there was not sufficient Production potential before the occurrence of loss or damage by hail or fire or both to warrant leaving the Field, or any portion thereof, of the Insured Crop for crop production, no Yield Loss Indemnity shall be payable, and hail insurance on that Field, or any portion thereof, of that Insured Crop shall be deemed terminated on the day before the day on which the loss or damage occurred. In that event, the Corporation shall be deemed to have earned the short date premium for the time the Contract has been in force, all as set forth in the Short Date Cancellation Table compiled by the Corporation.

5.02 Yield Loss Indemnity Restriction. This Contract does not insure against, and no Yield Loss Indemnity may be paid for an Insured Crop if, in the opinion of the Corporation, the loss or damage did not result directly from hail or fire or both. For greater

certainty and, without limiting the generality of the foregoing,

- (i) this Contract only insures against physical loss or damage to an Insured Crop as a direct result of hail or fire or both apparent at the time of inspection by the Corporation,
- (ii) no Yield Loss Indemnity is payable under this Contract for loss or damage to an Insured Crop as a result of disease, whether directly or indirectly caused by hail, or as a result of frost, unless in the opinion of the Corporation, the maturity of the Insured Crop has been delayed as a result of hail and therefore has been subjected to loss or damage due to frost which otherwise would not have occurred, in which case the Corporation may make an *ex gratia* payment in respect of such loss or damage, but only to a maximum of the coverage remaining under this Contract in respect of the affected Insured Crop, and
- (iii) no Yield Loss Indemnity shall be paid for loss or damage caused by the Insured Crop being over ripe,

all as determined by the Corporation.

5.03 Representative Strip(s). If loss or damage occurs to an Insured Crop as a result of hail or fire or both while that Insured Crop is standing or is cut and ready for Harvesting, subject to notice of loss or damage being given in accordance with the terms of this Contract, the Insured may proceed to harvest or reseed that Insured Crop or put the affected Acreage to another use, provided that one representative strip of no less than 10 feet in width either,

- (i) the full length of the Field for each 40 acres or less of the Insured Crop which has been damaged or lost, or
- (ii) one-third the distance in from the edge of the Field and completely around the Field,

is left for inspection by the Corporation. If the Insured makes a claim under this Contract and the Insured proceeds to harvest or reseed that Insured Crop or put the affected Acreage to another use without leaving the representative strip(s) contemplated by this Section, the Corporation may refuse to pay any Yield Loss Indemnity otherwise payable to the Insured.

5.04 Fire Loss Restriction. This Contract does not insure against, and no Yield Loss Indemnity shall be paid for an Insured Crop if, in the opinion of the Corporation, the loss or damage occurred as a result of fire started by the Insured or the agents, servants or employees of the Insured, unless such fire was lawfully started and in compliance with the requirements of all applicable law.

5.05 Less Than 5% Damage. For a Yield Loss Indemnity to be payable, the percentage of yield loss established by the Corporation for the affected Acreage or portion thereof as determined by the Corporation must be 5% or more.

PART 6 - HARVESTING BONUS

6.01 Harvesting Bonus. If loss or damage to an Insured Crop occurs directly as a result of hail or fire or both and the yield loss or damage exceeds 70% (as determined by the Corporation) on any portion of the Insured Acreage of that Insured Crop (as determined by the Corporation), the percentage of yield loss or damage for the purposes of calculating Yield Loss Indemnity shall be increased by the Harvesting Bonus.

PART 7 - RIGHT OF APPEAL

7.01 Assessment of Loss and Right to Appeal. Upon the assessment of the percentage of yield loss (including any Harvesting Bonus) and the amount of the Acreage affected by the loss or damage, the Corporation will provide the Insured with confirmation of such assessment. If the Insured and the Corporation cannot agree as to any matter addressed in the assessment which may, by virtue of The Manitoba Agricultural Services Corporation Act, be appealed to the Appeal Tribunal, the Insured must, within seven days of receipt of notice of the assessment from the Corporation, appeal by written notice of appeal to the Appeal Tribunal, and shall deliver a copy of the appeal to the Corporation. If the Insured fails to so appeal within the prescribed seven-day time period, the Corporation's assessment of the loss shall be final and binding upon the Insured and no appeal is available to the Appeal Tribunal. The *ex gratia* payment contemplated under Section 5.02, if made, is a voluntary act of the Corporation without liability or legal obligation on the part of the Corporation, and as such, the payment or the omission to make the payment is not part of the assessment referred to in this Section and hence, in either case, is not appealable by the Insured.

7.02 Appeal Fee. At the time of filing an appeal, the Insured shall deposit with the Appeal Tribunal such fee as is required from time to time pursuant to The Manitoba Agricultural Services Corporation Act as security for the costs of the appeal.

7.03 Appeal Tribunal. The Appeal Tribunal has an absolute discretion in making its decision, which is final and binding on both the Insured and the Corporation and is not subject to appeal.

PART 8 - ASSIGNMENT

8.01 Assignment of Indemnity. The Insured may assign all or a specified dollar amount of the right to indemnification under this Contract but,

- (i) an assignment is not binding on the Corporation, and no payment of indemnity shall be made to an assignee, unless:
 - A. the assignment is made on a form acceptable to the Corporation and is accompanied by the fee stipulated by such form, and
 - B. the Corporation gives its acceptance to the assignment in writing; and
- (ii) any assignment made in accordance with the foregoing has the effect of assigning the same rights of indemnification of the Insured under all contracts of insurance (including, without limitation, the AgrilInsurance Contract of the Insured, but excluding any contract of insurance between the Insured and the Corporation under the Western Livestock Price Insurance Program) between the Insured and the Corporation.

An assignee shall have the same right as the Insured to file a claim for loss or damage to the Insured Crop. Subject to the Corporation being provided with written evidence as to any postponement or like agreement to which the Insured is a party, if more than one assignment is received by the Corporation, the assignment first received and accepted by the Corporation shall have priority over subsequent assignments received.

8.02 Assignment of Contract. Except as specifically provided in this Contract, no part of this Contract or any interest in this Contract may be assigned by the Insured without the prior written consent of the Corporation, which consent may be withheld by the Corporation at its discretion.

PART 9 - SUBROGATION

9.01 Recovery Right. The Insured shall not be entitled to any indemnity under this Contract for any loss if the Insured has done or does anything to prejudice the Insured's right of recovery against any person for such loss.

9.02 Transfer of Recovery Right. If the Corporation has paid a claim under this Contract, the Corporation is subrogated to the extent thereof to all rights of recovery of the Insured against any Person, and may bring action in the name of the Insured against such Person for the full amount to enforce such rights of recovery. The Corporation shall have complete and sole control over the conduct of any such action commenced by the Corporation, including the

appointment of counsel. At the request of the Corporation, the Insured shall do whatever is necessary to secure such rights of recovery including, without limitation, assisting the Corporation in the enforcement of such rights including, without limiting the generality of the foregoing, cooperation in establishing the facts, securing and giving evidence and obtaining the attendance of witnesses and, if an action is commenced, immediately providing to the Corporation everything received in writing concerning the claim, including legal documents, and shall do nothing to prejudice the Corporation's rights including, without limiting the generality of the foregoing, not interfering in any settlement or legal proceedings.

9.03 Third Party Compensation. Where the Corporation is liable to pay a claim under this Contract, but the Insured has been compensated for the loss by another Person, the Corporation may deduct the net amount of such third-party compensation, after deducting the costs of recovering such compensation, from the amount of the indemnity otherwise payable by the Corporation under this Contract.

9.04 Limitation. The net amount recovered from a third party, after deducting the costs of recovery, shall first be retained by the Corporation up to the amount of the indemnity paid by the Corporation to the Insured and the balance of such amount recovered shall be paid to the Insured.

PART 10 - CONTINUOUS HAIL INSURANCE OPTION

10.01 Eligibility. If an Insured has selected all Insurable Crops (other than Optional CHIO Crops) under the AgrilInsurance Contract at the 80% Coverage Level or higher as offered by the Corporation, or is insured under the Vegetable Acreage Loss Insurance Supplementary Terms and Conditions, then that Insured may select the Continuous Hail Insurance Option under this Contract. If the Insured selects an Optional CHIO Crop for the Continuous Hail Insurance Option under Section 10.06, then that Optional CHIO Crop must also have been selected under the AgrilInsurance Contract at the 80% Coverage Level or higher as offered by the Corporation or is insured under the Vegetable Acreage Loss Insurance Supplementary Terms and Conditions.

10.02 Landlords. A Landlord under one or more AgrilInsurance Contracts may select the Continuous Hail Insurance Option even if the Tenant(s) (being an Insured under this Contract) of that Landlord has not selected the Continuous Hail Insurance Option or is not otherwise eligible for the Continuous Hail Insurance Option, but the Landlord must pay the Premiums and Administration Fees payable in respect of that selection. If the Continuous Hail Insurance Option is selected by the Landlord in respect of one

AgrilInsurance Contract, that selection shall apply to all AgrilInsurance Contracts of that Landlord.

10.03 Selection and Effect. The Continuous Hail Insurance Option must be selected on or before March 31 of the Crop Year immediately preceding the Crop Year in which the Continuous Hail Insurance Option is to apply. Once the Continuous Hail Insurance Option has been selected, all Insurable Crops (excluding Optional CHIO Crops, unless such Optional CHIO Crop is selected by the Insured for the Continuous Hail Insurance Option) insured under the AgrilInsurance Contract or under the Vegetable Acreage Loss Insurance Supplementary Terms and Conditions are automatically insured under this Contract at the highest dollar amount offered. In that case and subject to Section 10.04, this Contract shall come into effect on April 1 of the Crop Year immediately following the year in which the selection was made and shall automatically renew from Crop Year to Crop Year thereafter for all such Insurable Crops (excluding Optional CHIO Crops, unless such Optional CHIO Crop is selected by the Insured for the Continuous Hail Insurance Option), unless notice of termination in writing is given by the Insured or the Corporation on or before March 31 of the year prior to the applicable Crop Year. All selections in respect of the Continuous Hail Insurance Option may be made (i) in writing; (ii) via an online private access portal maintained for the benefit of each Insured by the Corporation at its website; or (iii) by telephone by an Insured, but an Insured's alternate signing authority, if any, may not make selections by telephone. If an Insured makes selections or changes in selections by telephone, all information received by the Corporation and shown in the records of the Corporation shall be conclusive evidence of the information given over the telephone by the Insured to the Corporation and a copy of the selections or changes in selections after acceptance by the Corporation will be mailed to the Insured.

10.04 Maintain AgrilInsurance Coverage. Subject to Section 10.02, an Insured must maintain the selection of all Insurable Crops (excluding Optional CHIO Crops, unless such Optional CHIO Crop is selected by the Insured for the Continuous Hail Insurance Option) under the AgrilInsurance Contract at the 80% Coverage Level or higher as offered by the Corporation or maintain insurance under the Vegetable Acreage Loss Insurance Supplementary Terms and Conditions in order to continue to be eligible for the Continuous Hail Insurance Option.

10.05 Optional CHIO Crop Coverage. If the Insured requires hail insurance for any Optional CHIO Crop not otherwise selected under the Continuous Hail Insurance Option, that Insured must complete an Application in each Crop Year for such crops and the

provisions of this Part do not apply to such Optional CHIO Crops.

10.06 Selection of Optional CHIO Crop for Coverage. Notwithstanding Section 10.01, but subject to Sections 10.03 and 10.04, an Insured may select any one or more of the Optional CHIO Crops for the Continuous Hail Insurance Option, in which case the provisions of this Part shall apply to such Optional CHIO Crops.

10.07 Reseed. If any Acreage of Insured Crop insured under the Continuous Hail Insurance Option is lost or damaged as a result of a Designated Peril other than hail or fire or both and the Insured reseeds such Acreage to the same or different Insurable Crop, then the Insured must pay a Premium under this Contract only in respect of the reseeded crop. If, however, the first crop was lost or damaged as a result of hail or fire or both, then the Insured must pay a Premium under this Contract for both crops.

10.08 No Cancellation. Notwithstanding Section 2.05, but subject to Sections 10.03 and 10.04, the Continuous Hail Insurance Option cannot be cancelled by an Insured unless the Insured Crop has been Destroyed by the Insured or the Corporation deems such crop to have been Destroyed as a result of reseeded or otherwise. In that case, the Corporation shall be deemed to have earned the short date premium for the time that the Insured Crop has been insured under this Contract, all as set forth in the Short Date Cancellation Table compiled by the Corporation.

10.09 Adding or Deleting Acreage. The applicable terms, conditions and provisions of Part 7 of the AgrilInsurance Contract shall apply to adding or deleting Acreage under this Contract with such changes as are necessary to reflect the details of insurance being provided under this Contract.

PART 11 - GENERAL

11.01 Misrepresentation. Any fraud, misrepresentation or willfully false statement made by the Insured or the agent of the Insured in

- (i) the Application,
- (ii) any other documentation provided to the Corporation in connection with this Contract, or
- (iii) in respect of a claim made under this Contract,

shall have the effect of voiding the entitlement of the Insured to any indemnity hereunder. In any such case, the full amount of the Premium shall be deemed to be earned by the Corporation and payable by the Insured.

11.02 Credit Privileges. An Insured whose AgrilInsurance Contract has been cancelled by the Corporation in the past may be deemed by the

Corporation to be an unsatisfactory credit risk and, if this is done, the Corporation may, at its option, require the Insured to pay all or any part of the estimated premium for hail insurance under the Contract before a Hail Insurance Contract will be issued to that Insured.

11.03 Indemnities Applied to Debt. If the Insured owes the Corporation any money, whether under this Contract or under any other program administered by the Corporation, the Corporation may deduct the amount owed from any money payable to the Insured under this Contract.

11.04 Waiver. The failure of the Corporation to insist on the strict observance or performance of any covenant in this Contract shall not be deemed to constitute a waiver of the Corporation's rights to insist on a performance in full and in a timely manner of all covenants contained herein, and any such waiver, in order to be binding upon the Corporation, must be expressed in writing and signed by a duly authorized representative of the Corporation. No waiver of any provisions, conditions or covenants shall be deemed to be a waiver of the right of the Corporation to require full and timely compliance with the same terms, conditions or covenants thereafter or with any other terms, conditions or covenants of this Contract at any time. The rights of the Corporation under this Contract are cumulative and no exercise or enforcement by the Corporation of any right or remedy under this Contract shall preclude the exercise or enforcement by the Corporation of any other right or remedy under this Contract or which the Corporation is otherwise entitled by law to enforce.

11.05 No Subsequent Waiver. The full or partial waiver by the Corporation at any time of any of its rights under this Contract, including its rights with respect to a breach or violation of or default under any provision of this Contract, will not operate as a waiver of any other right or of any other provision of this Contract or of any subsequent breach or violation thereof or default thereunder. In each case, that waiver shall be effective only in the specific instance and for the specific purpose for which it is given.

11.06 Deadline for Action Against Corporation. Any action or proceeding by the Insured against the Corporation shall be commenced within one year after the occurrence of the loss or damage and not afterwards. The Insured shall not commence an action or proceeding against the Corporation until the Insured has fully complied with all the terms of this Contract.

11.07 Claim Overpayments. If the Corporation overpays an Insured on a claim for indemnity under this Contract, the Insured shall repay such overpaid amount to the Corporation within the time prescribed by the Corporation. The Corporation may charge interest on any claim overpayment not paid within the time so

prescribed and on any other charges, fees, costs and expenses due to the Corporation by the Insured at the same rate as specified in the Application for outstanding Premiums for the Crop Year in which the notice of claim overpayment or notice of such outstanding charges, fees, costs or expenses is given. Interest shall commence on such claim overpayment and such other charges, fees, costs and expenses (except Premiums) 30 days after such written notification or at any other time beyond 30 days as may be specified in such notification to the Insured.

11.08 Enforcement Fees. The Insured shall pay the Corporation, upon demand, all out-of-pocket costs and expenses (including, without limitation, legal fees on a solicitor and own client basis) incurred by or on behalf of the Corporation in connection with collecting any indebtedness of the Insured to the Corporation under this Contract.

11.09 No Withholding by Insured. The Insured shall not, on grounds of the alleged non-performance by the Corporation of any of its obligations hereunder, or otherwise, withhold payment of any amount due to the Corporation.

11.10 Taxes. The Insured shall pay to the Corporation an amount equal to any and all taxes now or hereafter imposed on, or collectible by, the Corporation with respect to any amounts payable by the Insured to the Corporation under this Contract, whether characterized as a goods and services tax, sales tax, value added tax or otherwise.

11.11 Severability. If any provision of this Contract should be held invalid or unenforceable for any reason whatsoever or to violate any applicable law of Canada or Manitoba, this Contract is to be considered divisible as to such provision, and such provision is to be deemed deleted from this Contract, and the remainder of the Contract will be valid and binding as if such provision were not included in this Contract.

11.12 Business Day. Whenever any action to be taken under this Contract is required to be taken on a day other than a business day, such action shall be taken on the next business day following. For the purposes of this Contract, "business day" means a day on which the Corporation is open for business.

11.13 Interpretation. Any reference in this Contract to as "determined", "established", "approved" or "accepted" by the Corporation, or to the phrases "in its discretion", "in its opinion", "at its option" or "to its satisfaction" or similar or like phrases shall mean that the Corporation may make such determination or exercise such discretion in an absolute, sole and unfettered manner.

11.14 Headings. The division of this Contract into Parts and Sections and the use of headings are for

convenience of reference only, and shall not affect the interpretation or construction of this Contract.

11.15 Time. Time shall be of the essence of this Contract.

11.16 Entire Agreement. This Contract constitutes the entire agreement between the parties hereto with respect to all of the matters in this Contract and there are no representations, warranties, covenants, terms, conditions, promises, undertakings or collateral agreements, express or implied, which form part of this Contract other than as expressly set forth in this Contract. The entering into of this Contract by the Insured has not been induced by, nor does the Insured rely upon or regard as material, any representations or writings whatsoever not incorporated in this Contract and made a part of this Contract.

11.17 Enurement. This Contract shall be for the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors, permitted assigns and legal representatives, as the case may be.

11.18 Authority of Directors, Officers, Partners and Agents. An Insured that is a corporation (or a guarantor of an obligation of the corporation) or a partnership or other form of entity may not assert against the Corporation that

- (i) the articles, by-laws or any unanimous shareholder agreement or other agreement affecting the Insured have not been complied with,
- (ii) a person held out by the Insured as a director, an officer, a partner or an agent of the Insured has not been duly appointed or has no authority to exercise the powers and perform the duties that are customary in the business of the Insured or usual for a director, officer, partner or agent,
- (iii) a document issued by any director, officer, partner or agent of the Insured with actual or usual authority to issue the document is not valid or not genuine.

11.19 Electronic Copy. The posting of this Contract on the Corporation's website as a downloadable PDF shall constitute delivery to the Insured of the electronic copy and be deemed to be as effective as delivery of a printed copy. An Insured may elect to receive a printed "hard" copy of this Contract in lieu of the electronic copy referred to above in the manner and in the form required by the Corporation for that purpose. Upon receipt by the Corporation of that election, the Corporation shall mail the copy of the Contract to the Insured in accordance with Section 12.02.

11.20 Digital Copies and Signatures. Any forms, declarations or other documents required to be provided in writing by the Insured to the Corporation or by the Corporation to the Insured under this Contract or otherwise may be given, in either case, by hard copy with original signature, by facsimile or by email with a scanned or electronically saved PDF-format of the signed copy. In all cases, the executed copy will be scanned (if not otherwise available digitally) and saved ("digitized") to the Corporation's digital record management system and held in accordance with the policy of the Corporation governing the retention of such records. If a hard or facsimile copy is given or received, the "digitized copy" will be the only one retained by the Corporation and the hard copy destroyed. The information recorded in the copy retained by the Corporation in accordance with the foregoing shall be effective to create a valid and binding agreement in accordance with the terms thereof and the information contained therein shall be conclusive and not subject to any change or variation. The Insured expressly agrees and consents to the foregoing and acknowledges that such digitized copy is as effective for the purposes of validity, enforceability, and admissibility in any legal proceedings, as if it had been originally executed.

PART 12 - NOTICE

12.01 Notice to Corporation. Any written notice to the Corporation shall be given by actual delivery or facsimile transmission to any office of the Corporation or by sending it by registered mail to the proper address of that office. Unless otherwise provided herein, such notice to the Corporation is only effective upon actual receipt by the office.

12.02 Notice to Insured. Any written notice to the Insured shall be given by actual delivery to the Insured, or by sending it by mail, addressed to the Insured at the last mailing address for the Insured on file with the Corporation, or by sending it by email, addressed to the Insured at the last email address for the Insured on file with the Corporation. The Insured consents to the receipt of notices in electronic form and acknowledges that any notice given in such form will be considered in "writing". Such consent to receive notices from the Corporation electronically is valid until revoked by the Insured by sending an email message to mailbox@masc.mb.ca, by telephoning or by attending in person at the corporate insurance office or any local insurance office of the Corporation. In the event of disruption or threatened disruption of regular mail services by strike or threatened strike, all notices shall be given, at the discretion of the Corporation, either by actual delivery to the Insured, or by email pursuant to the aforesaid method, or by publishing such notice in The Manitoba Co-operator or other newspaper of general circulation in Manitoba, or by the posting thereof on the Corporation's public website at www.masc.mb.ca. Any notice given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof; and if given by mail, email, or by publication as aforesaid, shall be conclusively deemed to have been given five days after the mailing or emailing by the Corporation to the Insured (whether or not the Insured has received or retrieved the notice), or on the date of publication.