

# INSURANCE

## AgrilInsurance Overview

### Purpose

AgrilInsurance is a risk management tool available to Manitoba producers to insure against crop yield and quality losses caused by uncontrollable natural perils.

AgrilInsurance does not guarantee market price, or compensate for management related losses such as weed infestations.

### Program Information

- AgrilInsurance can be tailored to fit different types of farming operations and budgets, with three coverage levels to choose from: 50, 70 or 80 per cent of probable yield, or the Crop Coverage Plus (CCP) option, which provides coverage up to 90% of probable yield.
- Coverage is provided against natural perils including drought, excessive heat, flood, excess moisture, insect infestations, fire, hail, wind, plant disease, frost, winterkill and wildlife damage.
- Over 60 crop types are eligible for insurance.
- Most crops have a quality guarantee.

### Basics of AgrilInsurance

- Once granted an AgrilInsurance Contract, the contract remains in effect from year to year, unless cancelled by the producer or MASC.
- Selected crops and coverage levels can be changed each year by the insured (if no changes, the previous year's selections remain in effect).
- AgrilInsurance offers a crop production guarantee, including a quality adjustment for most crops.

#### Example:

production guarantee	100 tonnes
production harvested	- <u>60 tonnes</u>
production shortfall	40 tonnes

The claim would be paid on the 40 tonne shortfall multiplied by MASC's dollar value for that particular crop.

- The entire acreage of a crop grown by an insured, including owned and rented land, must be insured (insurance cannot be purchased on a field-by-field basis).
- Dollar values for each crop are established prior to the start of the crop year (normally in January).

- Coverage (in tonnes) for most crops, are set by soil zone (soil classification and risk area) adjusted for an individual's historic yield relative to average yields for that area.
- For some crops, coverage is based solely on the producer's 10-year average production.
- Each crop is insured separately - losses may be incurred and paid on one crop even if production guarantees are met or exceeded on other insured crops (with some exceptions, including Crop Coverage Plus).
- Poor quality of production may result in a claim payment depending on the amount of harvested production.

### Cost

- The premium cost for most programs is shared 40 per cent by the producer, 36 per cent by the Government of Canada and 24 per cent by the Province of Manitoba.
- An insured's premium may be adjusted up or down depending on the insured's loss experience.

### Features of AgrilInsurance

#### Reseeding Benefit

- This benefit provides financial assistance to reseed a crop damaged by natural perils. There is no additional premium charged for this benefit.

#### Excess Moisture Insurance (EMI)

- Excess Moisture Insurance provides protection against the inability to seed land due to excess moisture (flooding or rainfall).
- Basic EMI coverage is provided automatically and includes a producer premium.
- There are options to buy higher coverage.
- A whole farm deductible applies with the option of buying a reduced deductible.

#### Organic Insurance

- MASC provides organic insurance that closely reflects organic farming practices for producers that are certified organic growers. In general, coverage for organic crops is lower and insurable value is higher compared to conventional crops.

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### **Insurance Test Areas (ITAs)**

Crops that have specific insurable seeding areas (dry edible beans, grain corn, lentils, open pollinated corn and sunflowers) can be insured outside these specific areas. The ITAs originally have probable yield set 20% lower than the lowest probable yield in the existing insurable areas. This is adjusted for each crop in an ITA as more actual yield history is established.

### **Extended Coverage Seeding Period**

- Some crops have an extended seeding period of up to five additional days. During this extended period, coverage is reduced by 20 per cent to reflect lower yield potential.
- The extended seeding period allows producers to seed or reseed and still have insurance.
- The extended seeding period is not available in Insurance Test Areas.

### **Crop Coverage Plus (CCP)**

- CCP may provide up to 90 per cent coverage on a whole farm basis, subsequently providing more compensation in disaster years.
- CCP is available to producers who insure all eligible crops at the 80 per cent coverage level.
- Producers must grow more than one eligible crop.
- CCP is available for all insurable crops under AgrilInsurance except for potatoes, vegetables, tame hay, greenfeed, silage corn, pasture, organic crops and novel crops.

### **Hail Insurance**

- Hail insurance provides coverage for losses caused by hail or fire on a field by field basis.
- Producers pay all premiums and administration costs for this program.
- MASC's Hail insurance is only available to AgrilInsurance contract holders.

### **Contract Price Option**

- The Contract Price Option allows canola and pea producers to average the price of their contracted production with MASC's base dollar value, weighted by production, giving producers a higher dollar value.
- Producers must submit their contracts for verification by **June 30**. After this date, the default base dollar value will be applied.

*Note: This information sheet contains general information only and does not form part of the AgrilInsurance or Hail Contracts between an insured and MASC. In all cases, the AgrilInsurance or Hail Contract shall prevail.*

### **Forage Establishment Insurance**

- Forage Establishment Insurance provides insurance on all insurable tame forage crops during the first year of establishment.

### **Forage Insurance**

- Forage Insurance is a suite of programs designed to meet the needs of Manitoba forage producers.
- Select Hay Insurance insures against quality and production shortfalls for five types of hay (with no offsetting between types).
- Basic Hay Insurance provides whole-farm forage insurance for all five hay types at a lower cost (with offsetting between types).
- Producers selecting Forage Insurance automatically qualify for the Hay Disaster Benefit and the Forage Restoration Benefit.
- Options for extra coverage for enhanced quality for alfalfa and against harvest flooding of coarse hay are available.

### **Pasture Insurance**

- Pasture Insurance provides additional financial assistance for producers to cover losses resulting from shortfalls in summer grazing capacity.
- Losses are calculated based on the insured's Forage Insurance production.

### **Forage Restoration**

- Forage Restoration provides financial assistance for producers to restore a perennial forage acreage or forage seed crop that was damaged due to excess moisture prior to September 30. Forage Restoration is included with Forage Insurance or Perennial Forage Seed Insurance with no additional premium.

### **Important Dates and Deadlines**

- **March 31** is the application deadline for an AgrilInsurance Contract, make changes to an existing contract or add land to be eligible for EMI.
- **June 30** is the last day to file a Seeded Acreage Report (SAR).
- **September 30** is the last day to file claims for Greenfeed, Select Hay, Basic Hay and Forage Restoration.
- **November 30** is the last day to file a Harvested Production Report and select EMI options.