

INSURANCE

2021 Excess Moisture Insurance

Purpose

• Excess Moisture Insurance (EMI) provides protection against the inability to seed land due to continuous excess moisture (flooding or rainfall in the spring).

Eligibility

- All acres that are ready for crop seeding on or before June 20 (including perennial forages, sod and pasture if these acres are destroyed by June 10 and are ready for seeding) are eligible.
- EMI is not provided on the following:
 - land under sod, pasture or perennial forage, unless the acreage was destroyed by June 10 and is ready for spring seeding
 - fall rye, winter wheat or fall seeded forages
 - land which was not seeded due to excess moisture in the previous year and which could have been worked in that previous year but was not; and
 - land that MASC has deemed to be uninsurable due to high risk of flooding and/or excess moisture
 - land added to a producer's contract after March 31 is only eligible for EMI if it was purchased prior to June 30.

Coverage

- Basic EMI coverage of \$50 per acre is included as part of the AgrilInsurance program for all MASC contract holders subject to a standard 5% deductible.
- The deductible is calculated on the number of acres that would normally be available for seeding in the spring excluding cultivated land that was seeded the previous fall and land that is in perennial crop, sod, pasture, or bush.
- An insured's EMI deductible percentage increases five per cent for each year that they have an EMI claim (that exceeds their base deductible acres) and decreases 5% in each non-claim year to the minimum standard of 5%.

• If an insured is in a tenant/landlord arrangement and has a claim on one unit, the deductible on the other unit(s) will also increase.

High Dollar Value Options (HDVO)

• Producers have the option to buy up coverage from the basic \$50 per acre to \$75 or \$100 per acre. Only one buy-up level can be selected, which will apply to all acres on the producer's contract.

Reduced Deductible Option (RDO)

- This option allows producers to reduce their deductible to 5%. The Canada Production Insurance Regulations (Federal) require that all insurance programs have a deductible.
- Insureds selecting the EMI Reduced Deductible Option are charged additional premium on all acres eligible for EMI.

Cost

- Basic EMI coverage is provided automatically as part of the AgrilInsurance program. EMI premium is based on all cultivated land, not just acres too wet to seed.
- Producers pay 40% of the premium for the basic \$50/acre coverage.
- Producers pay 40% of premiums for the HDVOs, up to \$75/acre coverage.
- Producers pay 67% of the premiums for the top \$25/acre of the \$100/acre option
- Producers pay 100% of the RDO premium.
- The remainder of EMI premiums are funded by the federal and provincial governments.

Coverage, Reduced Deductible Options and Producer Share of Premiums (per acre)						
Producer Deductible	\$50 Basic Coverage	\$75 High Dollar Value Option	\$100 High Dollar Value Option	\$50 Reduced Deductible	\$75 Reduced Deductible	\$100 Reduced Deductible
5%	\$0.54	\$0.92	\$1.77	n/a	n/a	n/a
10%	\$0.54	\$1.16	\$2.48	\$1.29	\$2.29	\$3.99
15%	\$0.54	\$1.54	\$3.56	\$2.74	\$4.84	\$7.96
20%	\$0.54	\$2.14	\$5.23	\$4.89	\$8.67	\$13.94
25%	\$0.54	\$3.11	\$7.83	\$7.74	\$13.91	\$22.23
30%	\$0.54	\$4.64	\$11.81	\$11.29	\$20.77	\$33.32
35%	\$0.54	\$7.04	\$17.87	\$15.54	\$29.54	\$47.87
40% & up	\$0.54	n/a	n/a	n/a	n/a	n/a

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Claims

- A claim is calculated on the number of acres not seeded due to excess moisture, less the EMI deductible multiplied by the Dollar Value (\$50, \$75 or \$100).
- An EMI indemnity will not be paid if there are less than 10 acres that were not seeded due to excess moisture on a whole farm basis or by unit if a landlord contract is involved.
- Claims must be filed early so that an adjuster can verify the acreage and assess the inability to seed.
- Claims must be filed by submitting a completed Seeded Acreage Report no later than June 22. Claims registered after June 22, but on or before June 30, will be charged a late filing fee of 25 per cent of the claim (to a maximum of \$1,000). Claims filed after June 30 will not be accepted.

Example 1: A producer has 400 acres of cropland. The producer reports that 50 acres were unseeded due to excess moisture. The producer has a 10 per cent deductible and did not select an EMI High Dollar Value Option (HDVO).

Number of eligible acres:	400
EMI 10% deductible:	40 (400 x 10%)
Acres not seeded:	50
EMI Indemnity: $(50 - 40) \times \$50 =$	\$500

Producer premium for EMI is \$216 (400 x \$0.54).

Example 2: Using the information in Example 1, if the producer selected the EMI RDO, only 5% of acres are deducted (20), and 30 acres (50 - 20) would be eligible for a payment (30 x \$50 = \$1,500).

Producer premium for EMI with the RDO is \$532 (400 x \$1.33).

Example 3: Using the information in Example 1, if the producer selects the EMI RDO and the \$75 HDVO, only 5 percent of acres are deducted (20), and 30 acres would be eligible for a higher dollar payment (30 x \$75 = \$2,250).

Producer premium for EMI with the RDO and \$75 HDVO is \$940 (400 x \$2.35).

Example 4: Using the same information as in Example 1, but the producer has eight acres not seeded and has selected the EMI RDO. No claim is payable as the number of unseeded acres is less than the 10 acre minimum.

Other Program Details

- Once the EMI RDO or one of the EMI HDVOs is selected, it remains in effect year after year until the producer deselects it.
- Landlords with an AgrilInsurance contract will have EMI coverage. The landlord will have the same deductible and dollar value as their tenant and are required to pay their share of the related premium cost.

Important Dates and Deadlines

November 30 is the last day to make changes to your EMI selections, including the RDO and HDVO.

March 31 is the last day to add rented land for EMI coverage, or apply for, add or delete crops, or to cancel an AgrilInsurance contract.

June 22 is the last day to file an EMI claim without penalty, if unable to seed due to excess moisture by June 20.

June 30 is the last day to file Seeded Acreage Reports. EMI claims will not be accepted after this date.

November 30 is the last day to file Harvested Production Reports, or make changes to EMI for the next crop year.

For more information, contact your local MASC insurance agent or visit masc.mb.ca

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