



Part XI · Forage Rainfall Plan Insuring Agreement

A. General

This Part applies to established forage as defined in this Part. This Part XI replaces and supersedes all previous Parts XI and XIA starting as of the 2015 crop year. For clarity, starting with the 2015 crop year, the previous Part XIA (Forage Rainfall Plan Excess Rainfall Coverage Option Insuring Agreement) no longer applies and is now included in this Part XI. Except where provided otherwise, the insurance provided by this Part XI shall be in force for the crop year in which it is made and shall continue in force for each crop year thereafter until it is cancelled, amended or replaced in accordance with the terms of the Contract.

Agricorp agrees to pay the indemnities set out in this Part for loss of or damage to an insured crop caused by an insured peril, in accordance with the provisions of the Contract.

The limits on the amounts payable under this Part are shown in the Application as approved by Agricorp, or the confirmation of insurance, or Renewal Notice applicable to the insured crop.

Except as specifically provided otherwise, the provisions of Part I of the Contract apply to this Part. Where there is any conflict between the provisions of Part I and the provisions specifically set out in this Part, or between the provisions of Part I and the provisions of any Production Insurance Document to which this Part applies, this Part or the Production Insurance Document, as the case may be, take precedence.

Where there is any conflict between a provision in this Part and a provision in a Production Insurance Document to which this Part applies, the provisions in this Part take precedence.

All acres of insurable crop must have been offered to Agricorp for insurance for this Part to apply.

The insurance provided by this Part is subject to such additional conditions or limitations as may be set out in the applicable Production Insurance Document(s).

B. Definitions

“base” means a coverage option whereby an indemnity is determined for the entire crop year employing the daily cap, the daily minimum threshold, the monthly cap, equal monthly weighting, and the Price Index.

“bi-monthly drought calculation” means a coverage option whereby an indemnity is determined for the period of May and June separately from the period of July and August with no offsetting between the two periods, with 60 percent of the selected coverage value applied to May and June and 40 percent of the selected coverage value applied to July and August, employing the daily cap, daily

minimum threshold, the monthly cap, equal monthly weighting, and the Price Index.

“crop year” means the months of May, June, July, and August in each year.

“daily cap” means the maximum daily accumulation of rainfall, which is limited in accordance with the Contract.

“daily minimum threshold” means the minimum daily accumulation of rainfall, which is excluded in accordance with the Contract.

“drought” means accumulated rainfall during a specified period of time and at a specific location that is less than 85% of the historical rainfall.

“equal monthly weighting” means multiplying the surplus or deficit of rainfall for each month by one.

“established forage” means both grass and legume plant species in either pure or mixed stands seeded in a previous calendar year, and includes hay, improved pasture, and unimproved pasture.

“geographical township” means a geographical area as defined by the Geographical Names Board of Canada.

“hay” means only the first cut from improved tillable land or hay/haylage land (consisting of grass and legume plant species in either pure or mixed stands that were seeded in a previous calendar year) but does not include improved pasture or unimproved pasture.

“historical rainfall” means the average cumulative amount of rainfall, as determined by Environment Canada and Agricorp, during a specified period of time for an underwriting region.

“improved pasture” means a pasture to which has been applied a deliberate activity of seeding, fertilization, or weed control for the purposes of improving the crop production potential of that pasture.

“management practice” means a deliberate and cost-incurring activity that improves the production potential of a piece of land.

“monthly cap” means the maximum monthly accumulation of rainfall, which is limited in accordance with the Contract.

“monthly rainfall weighting” means a coverage option whereby an indemnity is determined for the entire crop year, by multiplying the surplus or deficit of rainfall for each month by a weighting factor as follows: May 1.3, June 1.2, July 0.8, August 0.7, and employing the daily cap, the daily minimum threshold, the monthly cap, and the Price Index.

“Price Index” means the increase in indemnity amount paid to account for the additional cost of purchasing replacement forage in periods of drought.

"rainfall collection site" means a location determined by Agricorp to collect rainfall data that an Insured may select in accordance with Section G of this Part.

"three-month" means a coverage option whereby an indemnity is determined for the months of May, June and July employing the daily cap, the daily minimum threshold, the monthly cap, equal monthly weighting, and the Price Index.

"underwriting region" means an area containing rainfall collection site(s) for which the historical rainfall is known.

"unimproved pasture" means land to which no management practices have been applied to increase production capability in the previous five years.

C. Insured Perils

The insured peril that applies under this Part for the insufficient rainfall coverage option is drought. The insured peril that applies under this Part for the excess rainfall coverage option is excess rainfall.

D. Deadlines

Premium is due and payable to Agricorp by May 1 of the crop year. The Insured shall select coverage option(s), coverage value and rainfall collection site(s) no later than May 1 of the crop year.

E. Selection of Coverage Option(s)

The Insured may select the insufficient rainfall coverage option, the excess rainfall coverage option or both.

F. Selection of Coverage Value

Selected coverage value must be at least \$2000 and no higher than the maximum eligible coverage as determined by Agricorp.

In the event that an Insured obtains insurance coverage for both the insufficient rainfall and excess rainfall options, the selected insured coverage value for hay must be the same for both options.

G. Selection of Rainfall Collection Site(s)

The Insured must choose up to three rainfall collection sites within a geographical township in which they produce forage, or in an adjacent geographical township.

If no rainfall collection site is available within a geographical township in which the Insured produces forage, or in an adjacent geographical township the Insured must choose the closest rainfall collection site to their forage production.

Agricorp reserves the right to deny or alter rainfall collection site selection(s) in the event of a malfunction or other unplanned circumstance that prevents rainfall collection at the selected rainfall collection site(s).

In the event that an Insured obtains insurance coverage for the both the insufficient rainfall and excess rainfall options, the selected rainfall collection site(s) will be used for both options.

H. Rainfall Collection

Rainfall data will be collected at pre-established rainfall collection sites. For the insufficient rainfall coverage option, a daily cap, daily minimum threshold and monthly cap will be applied to rainfall data collected.

Agricorp reserves the right to choose an alternative source for rainfall data and to substitute that data in the event of a malfunction or other unplanned circumstance, which interrupts data collection at the selected rainfall collection site(s).

I. Indemnity Determination

The amount of indemnity payable for the excess rainfall and insufficient rainfall coverage options will be determined in accordance with the provisions of this Part and the applicable Production Insurance Document(s) including but not limited to, all limitations on insurable acreage or insurable crops, deductibles, and any other restriction on the amount payable, and on the basis of the applicable selected coverage value.

In the event that an Insured obtains insurance coverage for the both the insufficient rainfall and excess rainfall options, the total value of claims payable under this Part shall not exceed the selected hay coverage value.

J. Excess Rainfall Coverage Option and Indemnity Calculation

If the Insured selects the excess rainfall coverage option, Agricorp will pay an excess rainfall indemnity pursuant to this Part where the insured peril of excess rainfall occurs.

When selecting the excess rainfall coverage option, the Insured must choose either a 5mm or 7mm rainfall threshold.

In addition, the Insured must choose one of the following harvest period options based on when their first cut typically takes place. Only one harvest period may be selected from the options below:

May 22-31	June 1-10	June 11-20
June 21-30	July 1-10	

The insured peril of excess rainfall shall occur when there are no consecutive five-day periods with less than 5mm or 7mm **rainfall (based on the Insured's choice of rainfall threshold option)** in a 10-day harvest period selected by the Insured.

Agricorp will issue an excess rainfall report following the crop year, which will be used to determine if the insured peril of excess rainfall occurred. The excess rainfall report

shall serve as the Proof of Loss for the purpose of appeal as referenced in Part I, Section M of the Contract.

The value of the excess rainfall indemnity shall be calculated by multiplying the selected hay coverage value by 35%.

K. Insufficient Rainfall Coverage Option and Indemnity Calculation

If the Insured selects the insufficient rainfall coverage option, Agricorp will pay an insufficient rainfall indemnity pursuant to this Part where the insured peril of drought occurs.

Agricorp will issue an insufficient rainfall report following the crop year, which will be used to determine if the insured peril of drought occurred. The insufficient rainfall report shall serve as the Proof of Loss for the purpose of appeal as referenced in Part I, Section M of the Contract.

When selecting the insufficient rainfall coverage option, The Insured must choose one of the following coverage options which will be used to calculate the insufficient rainfall indemnity when the insured peril of drought occurs:

1. Base;
2. Monthly Rainfall Weighting;
3. Bi-monthly Drought Calculation; or
4. Three-month.

Base

The value of the indemnity is calculated by the percentage shortfall in rainfall below 85 percent of historical rainfall, multiplied by the coverage value purchased by the Insured and the Price Index.

If the percentage shortfall in rainfall below 85 percent of historical rainfall is less than 5 percent, the following equation is used:

$$\left(0.85 - \frac{\text{Crop Year Capped Rainfall}}{\text{Crop Year Historical Rainfall}}\right) \times \text{Coverage Value} \times \text{Price Index}$$

If the percentage shortfall in rainfall below 85 percent of historical rainfall is greater than 5 percent, the following equation is used:

$$\left[0.05 + \left(0.80 - \frac{\text{Crop Year Capped Rainfall}}{\text{Crop Year Historical Rainfall}}\right) \times 1.5\right] \times \text{Coverage Value} \times \text{Price Index}$$

Monthly Rainfall Weighting

The value of the indemnity is calculated by the percentage shortfall in rainfall below 85 percent of historical rainfall with the monthly rainfall weighting factors applied, multiplied by the coverage value purchased by the Insured and by the Price Index.

If the percentage shortfall in rainfall below 85 percent of historical rainfall is less than 5 percent, the following equation is used:

$$\left(0.85 - \frac{\text{May + June + July + August Weighted Capped Rainfall}}{\text{Crop Year Historical Rainfall}}\right) \times \text{Coverage Value} \times \text{Price Index}$$

If the percentage shortfall in rainfall below 85 percent of historical rainfall is greater than 5 percent, the following equation is used:

$$\left(0.05 + \left(0.80 - \frac{\text{May + June + July + August Weighted Capped Rainfall}}{\text{Crop Year Historical Rainfall}}\right) \times 1.5\right) \times \text{Coverage Value} \times \text{Price Index}$$

Bi-monthly Drought Calculation

The value of the indemnity is calculated by the percentage shortfall in rainfall below 85 percent of historical rainfall for May and June, multiplied by the Price Index and by 60 percent of the coverage value purchased by the Insured plus the percentage shortfall in rainfall below 85 percent for July and August, multiplied by 40 percent of the coverage value purchased by the Insured and by the Price Index.

If the percentage shortfall in rainfall below 85 percent of historical rainfall is less than 5 percent, the following equation is used:

$$\left(\left(0.85 - \frac{\text{May + June Capped Rainfall}}{\text{May + June Historical Rainfall}}\right) \times \frac{60\%}{\text{Coverage Value}} + \left(0.85 - \frac{\text{July + August Capped Rainfall}}{\text{July + August Historical Rainfall}}\right) \times \frac{40\%}{\text{Coverage Value}}\right) \times \text{Price Index}$$

If the percentage shortfall in rainfall below 85 percent of historical rainfall is greater than 5 percent, the following equation is used:

$$\left(\left[0.05 + \left(0.80 - \frac{\text{May + June Capped Rainfall}}{\text{May + June Historical Rainfall}}\right) \times 1.5\right] \times \frac{60\%}{\text{Coverage Value}} + \left[0.05 + \left(0.80 - \frac{\text{July + August Capped Rainfall}}{\text{July + August Historical Rainfall}}\right) \times 1.5\right] \times \frac{40\%}{\text{Coverage Value}}\right) \times \text{Price Index}$$

Three-month

The value of the indemnity is calculated by the percentage shortfall in rainfall below 85 percent of historical rainfall for May, June and July multiplied by the coverage value purchased by the Insured and by the Price Index.

If the percentage shortfall in rainfall below 85 percent of historical rainfall is less than 5 percent, the following equation is used:

$$\left(0.85 - \frac{\text{Capped Rainfall}}{\text{May + June + July}} \right) \times \text{Coverage Value X Price Index}$$

If the percentage shortfall in rainfall below 85 percent of historical rainfall is greater than 5 percent, the following equation is used:

$$\left(0.05 + \left(0.80 - \frac{\text{Capped Rainfall}}{\text{May + June + July}} \right) \times 1.5 \right) \times \text{Coverage Value X Price Index}$$