



PRINCE EDWARD ISLAND
**AGRICULTURAL
INSURANCE
CORPORATION**

2024-2025 Annual Report



P.E.I. Agricultural Insurance Corporation

Minister's Message



The Honourable Dr. Wassim Salamoun
Lieutenant Governor of Prince Edward Island

May It Please Your Honour:

I have the honour to submit herewith the Annual Report for the Prince Edward Island Agricultural Insurance Corporation, for the fiscal year ended March 31, 2025.

Respectfully submitted,

A handwritten signature in dark ink, consisting of stylized initials 'Bh' followed by a long horizontal line.

Honourable Bloyce Thompson
Minister of Agriculture

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Chairperson's Message

The Honourable Bloyce Thompson
Minister of Agriculture

Hon. Bloyce Thompson:

In accordance with the *Agricultural Insurance Act*, I enclose the Annual Report for the Prince Edward Island Agricultural Insurance Corporation, for the fiscal year ended March 31, 2025.

Respectfully submitted,

A handwritten signature in dark ink, reading "Rodney Dingwell". The signature is fluid and cursive, with the first name "Rodney" and last name "Dingwell" clearly distinguishable.

Rodney Dingwell
Chairperson of the Board

Director's Message

Rodney Dingwell
Chairperson of the Board

Mr. Dingwell:

I would like to present our annual report for the fiscal year ending March 31, 2025. Our team at P.E.I.AIC is dedicated to offering quality programs to producers of PEI.

This year has been a reminder that when we work together, we can achieve great things. To everyone who contributed – thank you. Your teamwork, dedication, and belief in our programming have made all the difference. And to our Board of Directors, your steady guidance and partnership continue to be a vital part of our progress.

As we look ahead, I'm inspired by the strength of our collective effort and am excited for future modernization and what we'll accomplish next – together.

Respectfully submitted,

A handwritten signature in dark ink, reading "Lesa MacDonald." The signature is fluid and cursive, with a period at the end.

Lesa MacDonald, CPA, CA
Director Farm Business Risk Management

P.E.I. Agricultural Insurance Corporation

Corporate Governance

The Prince Edward Island Agricultural Insurance Corporation (P.E.I.AIC) has a Board of Directors (the Board) who oversee the Corporation's activities. The role of the Board includes managing the business and affairs of the P.E.I.AIC. The Board follows the guiding principles of excellent client service, actuarial stability of programs, and meeting stakeholders' objectives.

Board Members

March 2025

Rodney Dingwell | Chairperson

Beverley Ann Boulter | Vice Chairperson

Shannon Burke | Director, Corporate and Financial Services | Department of Agriculture |
Department of Fisheries, Tourism, Sport and Culture

Sonya Cobb | Senior Budget Analyst | Department of Finance

Dr. Edward MacAulay | Director

Mark MacEwen | Director

Kevin MacIsaac | Director



Corporate Overview

P.E.I.AIC is a provincial Crown Corporation reporting to the Minister of Agriculture. The Corporation was created under the *Agricultural Insurance Act*. The mandate of the Corporation, as outlined in the act, is to provide insurance schemes.

P.E.I.AIC supports Prince Edward Island agriculture through the delivery of business risk management (BRM) programs included in the Federal-Provincial-Territorial Sustainable Canadian Agricultural Partnership (Sustainable-CAP) agreement. This agreement covers program years from 2023 to 2028. BRM programs provide producers with protection against income and production losses and help producers manage risk.

The Maritime Livestock Price Insurance Pilot Program Multilateral Agreement is governed between Canada and the maritime participating provinces (Prince Edward Island, Nova Scotia and New Brunswick). P.E.I.AIC is the designated insurer for PEI. This program provides livestock producers with a risk management tool to manage livestock price risk.

Employees of the Department of Agriculture are assigned to P.E.I.AIC to deliver all programs and services offered through the Corporation including:

- AgriInsurance Program
- Phytosanitary Disease Plan
- AgriStability Program
- AgriRecovery Framework
- Maritime Livestock Price Insurance Pilot Program

P.E.I. Agricultural Insurance Corporation

Vision

A viable agricultural future for Prince Edward Island ensured by quality risk protection and access to modernized delivery of business risk management services for all agriculture producers.

Mission

Assist producers in preventing and mitigating unforeseeable farm business management risks and deliver viable and effective risk management options.

Values

INTEGRITY

We build trust with all our stakeholders by our conduct.

QUALITY

We follow and advance rigorous standards and evidence-based best practices to anticipate and consistently respond to our clients' needs.

TEAMWORK

We combine the diversity of our knowledge, experience, and skills to deliver excellence and value.

ACCOUNTABILITY

We are answerable to our stakeholders and take responsibility for the high-quality fulfillment of our commitments.

RESPONSIVENESS

We strive to answer quickly and positively with resources appropriate for the context of our clients' business activities while leveraging technology where possible.

Strategic Modernization Plan

In 2021, P.E.I.AIC developed the Strategic Modernization Plan to guide the modernization of operations from April 1, 2021, to March 31, 2026. Through the strategic planning process the following priorities emerged:

1. Effective business risk management programming.
2. Quality and efficient client services.
3. Modernized program management and delivery.

The following tables provide an overview of activities completed towards these priorities between April 1, 2024, and March 31, 2025.

Goal 1: Provide effective business risk management programming that meets the needs of producers in Prince Edward Island.

Actions Completed
<ul style="list-style-type: none">✓ Implemented a new time-saving potato sampling strategy for seed and chipstock potatoes for the 2024 crop year.✓ Collaborated with federal and provincial governments to provide a new risk management tool across the Maritime region, the Maritime Livestock Price Insurance Pilot Program.✓ Met with industry groups such as: PEI Potato Board, PEI Wild Blueberry Growers Association, PEI Beekeepers Association, PEI Tree Fruit Growers Association, PEI Federation of Agriculture, and Atlantic Grains Council to identify gaps, explain programming and encourage participation.✓ Implemented program changes due to industry requests and/or actuarial requirements (see “Changes in the 2024 Crop Year AgrilInsurance Agreement” under Program Highlights for AgrilInsurance Program).

P.E.I. Agricultural Insurance Corporation

Goal 2: Deliver quality and efficient client services that meet clients' satisfaction.

Actions Completed
<ul style="list-style-type: none">✓ Increased social media presence with new Facebook page, PEI Agriculture, in collaboration with the Department of Agriculture. <p>Follow us on Facebook: https://www.facebook.com/PEIAgriculture</p>

Goal 3: Modernize the program management and delivery system with the use of technology.

Actions Completed
<ul style="list-style-type: none">✓ Purchased tablets for all Agricultural Insurance Officers with potato clients for more efficient field work and program administration.✓ Created electronic sampling form for staff to record and save data while in the field, saving staff administration time.✓ Completed Government's Digital Service Design Playbook which provides a roadmap for improving business processes, technology, and citizen experience.

P.E.I. Agricultural Insurance Corporation

Program Highlights

AgrilInsurance Program

The AgrilInsurance Program insures agricultural crops against production losses from specified perils (weather, pests, disease). It includes Production Insurance, Color Rider, Unharvested Acreage Benefit Rider, Potato Storage Rider, Forage Insurance, and Livestock Insurance. Premiums from eligible programs are cost shared with producers, the federal government, and provincial governments. Administrative costs are cost shared on a 60-40 basis between the federal and provincial governments.

Changes in the 2024 Crop Year AgrilInsurance Agreement:

Production Insurance

- Removal of 85% coverage level for potatoes.
- Assigned base cullage rates for stored inventory to seed and chipstock crops.
- Removal of July 31st deadline to submit “Application for Seed Potato Crop Inspection - Grower’s Declaration” in the Elite Seed Potato Plan.
- Updated the whole farm potato table based on actuarial certification.
- Termination of the Tobacco Plan.
- Elimination of 90% production insurance coverage for cauliflower.
- Ability to allow apple crops to insure without the requirement of supplied data.
- Developed separate plans for strawberries and strawberry plants.

Potato Storage Rider

- Addition of deadline to request permission to destroy for seed crops due to disease.
- Requirement to report final yields.
- Elimination of storage facility management discount.

Forage Insurance

- Elimination of September from the drought portion of coverage.
- Adjustment of drought triggers.
- Termination of proxy crop coverage component of Forage Plus Plan.
- Increase of the base unit price for drought payments from \$90 per acre to \$150 per acre.

Perennial Crops

- Updated apple tree values.

P.E.I. Agricultural Insurance Corporation

Certain crops did not experience ideal growing conditions during the summer of 2024. AgrilInsurance claims totaled \$47.8 million, with the largest claims paid for production insurance claims. Potatoes had scab issues and yield shortfalls which impacted production insurance claims. There were rot issues with harvested potatoes and potatoes in storage. This impacted both production insurance and potato storage rider claims. Grains experienced another season of high levels of toxins which impacted production insurance claims. Forage experienced significant rain in June leading to quality triggers. Some areas also experienced drought in the summer months leading to drought claims.

AgrilInsurance Program for the year ended March 31, 2025

	Acres	Insured Value	Premiums	Indemnities
<i>Production Insurance (PI)</i>				
Potatoes	74,208	\$356,275,164	\$32,648,893	\$25,425,794
Grains & Oilseeds	144,210	\$ 75,130,946	\$ 6,052,244	\$ 4,593,819
Other Crops	5,614	\$ 12,853,255	\$ 1,653,211	\$ 2,128,087
Subtotal	224,032	\$444,259,365	\$40,354,348	\$32,147,700
<i>PI Rider Plans (Acres and Insured Value included above)</i>				
Colour			\$ 838,992	\$ -
Unharvested Acreage Benefit			\$ 164,969	\$ -
Potato Storage ¹			\$ 9,479,945	\$12,370,938
Total PI and Riders	224,032	\$444,259,365	\$50,838,254	\$44,518,638
<i>Other Plans</i>				
Forage	91,819	\$ 20,770,995	\$ 1,909,749	\$ 2,866,187
Livestock		\$ 1,728,930	\$ 96,542	\$ 458,956
Total AgrilInsurance	315,851	\$466,759,290	\$52,844,545	\$47,843,781

¹Potato Storage includes April to August 2024 (2023 Crop Year) and January to March 2025 (2024 Crop Year).

P.E.I.AIC purchases reinsurance coverage to protect the AgrilInsurance Program from significant losses. Reinsurance coverage for the 2024 crop year provided protection against indemnities between \$69.8 million and \$186.0 million and was not triggered in the current year. The last time it was triggered was for the 2018 crop year.

P.E.I. Agricultural Insurance Corporation

Phytosanitary Disease Plan

The Phytosanitary Disease Plan provides additional coverage for bacterial ring rot, potato wart, and nematodes in potatoes. The purpose of this plan is to provide insured clients with assistance to offset a portion of the losses and additional costs to deal with an outbreak and thus enable the operation to continue production. The premiums are cost shared 33.3% by the Province and 66.7% by the producer.

Phytosanitary Disease Plan for the year ended March 31, 2025

	Acres	Insured Value	Premiums	Indemnities
Phytosanitary Disease Plan	17,286	\$3,457,237	\$259,293	\$171,467

During the 2024 growing season phytosanitary disease was confirmed on a small number of operations. Indemnities of \$171.5 thousand is based on the insured acres infected and level of protection chosen by producers.

The fund balance at March 31, 2025, is \$1.8 million. Indemnities paid during any one year cannot exceed the fund balance for the plan. In any one year, if the indemnities exceed the fund balance they will be pro-rated.

P.E.I. Agricultural Insurance Corporation

AgriStability Program

The AgriStability Program offers protection against declines greater than 30% in farm margins caused by circumstances such as low prices, rising input costs, and production losses. The program provides whole farm margin coverage for when the farm's current year margin falls below 70% of the farm's historical reference margin. The reference margin is reflective of the farm's five-year historical performance using income tax and supplemental information. Indemnity payments and administrative costs are cost-shared on a 60-40 basis between the federal and provincial governments. The Sustainable-CAP agreement starting April 1, 2023, increased the AgriStability compensation rate to 80% (80 cents per dollar of support), from the previous 70%.

AgriStability Program for the year ended March 31, 2025

Assigned Commodity	Indemnities
Cattle	\$ 252,440
Potatoes	\$1,443,780
Grains & Oilseeds	\$ 838,368
Other Livestock	\$1,181,530
Other	\$ 750,741
Total Indemnities Paid	\$4,466,859
Year-End Accrual (Net)	\$ 779,000
Total AgriStability Indemnities	\$5,245,859

Indemnity payments are assigned to a commodity group based on the income that comprises at least 50% or more of total farm income. Mixed farms, where no one single type of income is over 50% or more of total farm income, are assigned the "Other" category.

The AgriStability Program requires producer tax information to calculate a claim, so reporting under this program is a year behind the program year reported in other areas of this report. Most files processed in this fiscal period relate to the 2023 growing season.

The largest indemnities paid for potatoes relate to non-calendar year end producers. Other significant payments were for livestock commodities. These indemnities were due to a few unusual events: the lingering impacts of Hurricane Fiona, and other property damage.

P.E.I. Agricultural Insurance Corporation

Maritime Livestock Price Insurance Pilot Program

The Maritime Livestock Price Insurance Pilot Program (MLPIPP) was announced June 12, 2024. This program offers price protection in the form of an insurance policy for calf and feeder cattle. Price insurance premiums are paid by the producer. Coverage is based on market price forecasts. This is a multilateral agreement between the Government of Canada and the Maritime provinces (Prince Edward Island, Nova Scotia and New Brunswick) that ends March 31, 2026.

P.E.I.AIC is the insurer for PEI producers. The Government of Alberta's Agriculture Financial Services Corporation is the central administering agency of the program providing calculations, establishing forward prices, collecting market data to settle claims, and providing technological support for the operating system. The Agri-Commodity Management Association provides all education, promotion, and customer support. Administration for this program is cost-shared by the participating provinces with the Corporation paying 33.33% of all costs. P.E.I.AIC's administration costs are cost-shared on a 60-40 basis between the federal and provincial governments. Canada provides deficit financing for the duration of MLPIPP; however, any deficit on account of PEI producers at the end of the pilot program will be the responsibility of the provincial government.

Between June 12, 2024, and March 31, 2025, thirty insurance policies were purchased by PEI producers. Total insurance coverage was \$3 million, and no indemnities were paid.

Maritime Livestock Price Insurance Pilot Program for the year ended March 31, 2025

Livestock Type	Number of Livestock Insured	Coverage	Premiums	Indemnities
Calf	174	\$ 426,624	\$ 5,713	\$ -
Feeder Cattle	855	\$2,579,104	\$ 16,631	\$ -
Subtotal	1,029	\$3,005,728	\$ 22,344	\$ -
Less: Deferred Revenue*			\$(20,684)	
Total	1,029	\$3,005,728	\$ 1,660	\$ -

*See Notes to Financial Statements 2(c) Liabilities.

AgriRecovery Framework

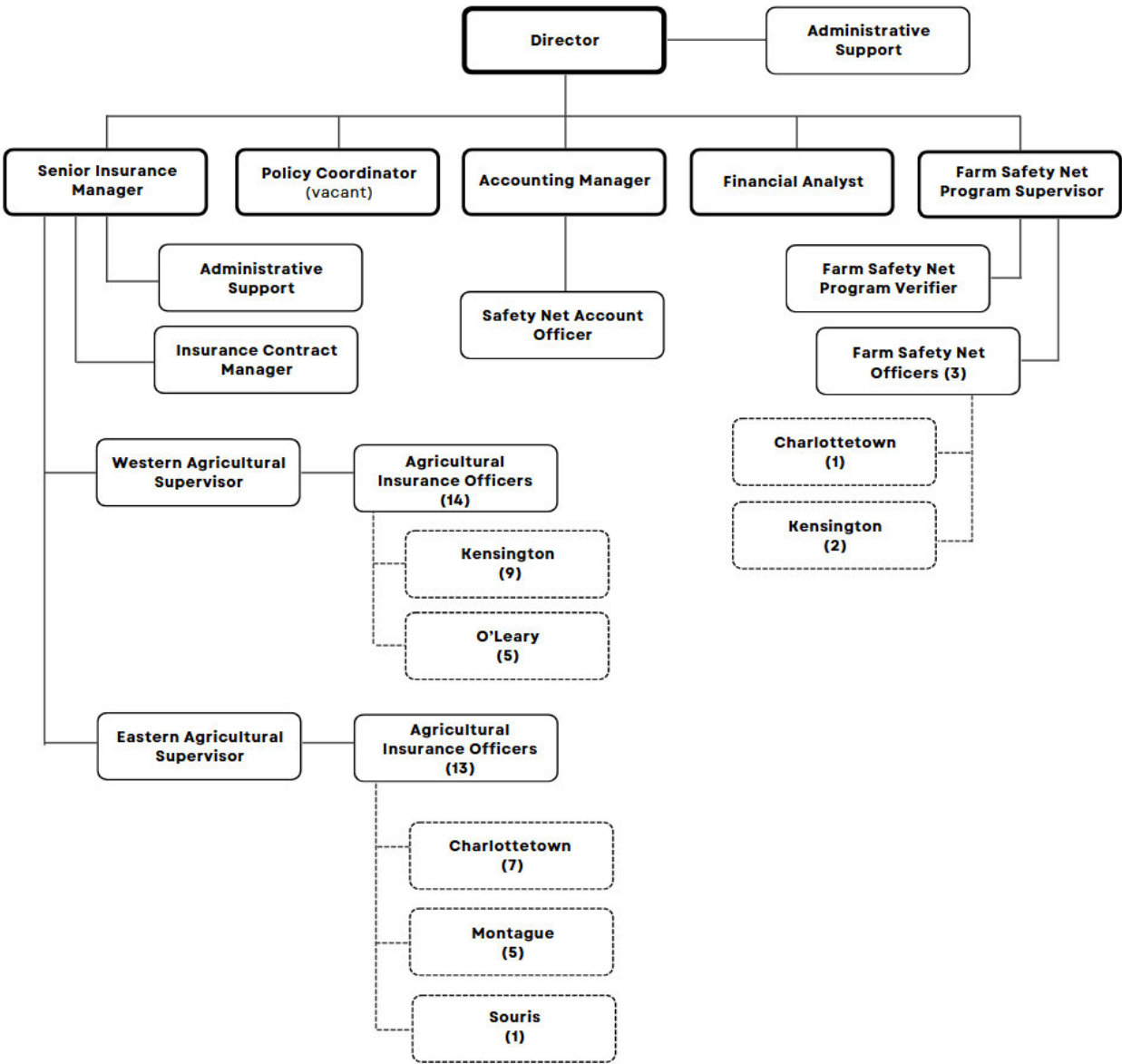
The AgriRecovery Framework is a disaster assistance framework and is designed to cover extraordinary losses that are not covered by the other Sustainable-CAP programs. The program is initiated by the Province when specific disaster situations occur on PEI. The program helps producers with extraordinary costs from a non-reoccurring event. P.E.I.AIC administers all payments on behalf of the Province. AgriRecovery initiatives are cost-shared on a 60-40 basis between the federal and provincial governments.


Hurricane Fiona made an impact to PEI during the overnight hours of September 23 and into September 24, 2022. The Province was heavily impacted by hurricane force winds, heavy rainfall and storm surges. There were significant losses to the fruit tree industry. For example, there were estimates of between 60-100% of apple crops in Queens and Kings Counties fallen on the ground.

On September 26, 2023, the Canada – Prince Edward Island Fiona Fruit Tree Recovery Initiative was announced. This initiative provides eligible fruit tree growers with over \$1.7 million in federal/provincial cost-shared funding to support extraordinary costs related to Hurricane Fiona. The program provides financial assistance to producers for tree replacement and repair costs, trellis repair and replacement costs, and other recovery costs. During the year \$6.3 thousand in claims were paid. The program ended March 31, 2025.

P.E.I. Agricultural Insurance Corporation

Organization Structure 2024 Program Year



 Unless indicated, staff work out of the Kensington Office.
P.E.I. AIC

P.E.I. Agricultural Insurance Corporation

Audited Financial Statements

**PRINCE EDWARD ISLAND
AGRICULTURAL INSURANCE
CORPORATION**

Financial Statements
March 31, 2025

Management's Report

Management's Responsibility for the Financial Statements


The financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards and the integrity and objectivity of these statements are management's responsibility. Management is responsible for the notes and schedules to the financial statements and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is responsible for implementing and maintaining a system of internal control to provide reasonable assurance that reliable financial information is produced.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board reviews internal financial reports on a regular basis and externally audited financial statements yearly.

MRSB Chartered Professional Accountants Inc. conducts an independent examination, in accordance with Canadian generally accepted auditing standards, and expresses their opinion on the financial statements. MRSB Chartered Professional Accountants Inc. has full and free access to financial information and management of the Prince Edward Island Agricultural Insurance Corporation and can meet when required.

On behalf of the Prince Edward Island Agricultural Insurance Corporation


Lesa MacDonald, CPA, CA
Director of Farm Income Risk Management


Karla Thompson, CPA, CGA
Accounting Manager

June 26, 2025

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Prince Edward Island Agricultural Insurance Corporation

Opinion

We have audited the financial statements of Prince Edward Island Agricultural Insurance Corporation (the Corporation), which comprise the statement of financial position as at March 31, 2025, and the statements of net financial assets, operations and accumulated surplus and cash flows for the year then ended, and notes and schedules to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Corporation in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

(continues)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

MRSB Chartered Professional Accountants Inc.
MRSB CHARTERED PROFESSIONAL ACCOUNTANTS INC.

Charlottetown, PE

June 26, 2025

PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

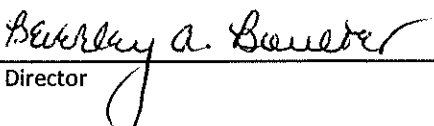
Statement of Financial Position
as at March 31, 2025

	2025	2024
	\$	\$
FINANCIAL ASSETS		
Cash and Short-Term Investments (Note 6)	36,470,144	34,503,271
Accounts Receivable		
Producer	2,019,753	1,728,872
Province of Prince Edward Island	3,703,690	3,553,668
Federal Government	7,214,625	5,083,456
Alberta Agriculture Financial Services Corporation (Note 7)	11,759	-
Accrued Interest & Other	105,456	347,158
	<u>13,055,283</u>	<u>10,713,154</u>
Total Financial Assets	<u>49,525,427</u>	<u>45,216,425</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities		
Province of Prince Edward Island	2,099,285	2,034,887
General	320,384	132,660
Indemnities Payable	6,320,671	4,780,934
Deferred Revenue	233,214	127,492
Total Liabilities	<u>8,973,554</u>	<u>7,075,973</u>
NET FINANCIAL ASSETS AND ACCUMULATED SURPLUS	<u>40,551,873</u>	<u>38,140,452</u>

(The accompanying notes and schedules are an integral part of these financial statements.)

Approved on behalf of the Prince Edward Island Agricultural Insurance Corporation


Chair


Director

PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

Statement of Operations and Accumulated Surplus
for the year ended March 31, 2025

	2025 Budget \$	2025 Actual \$	2024 Actual \$
REVENUES			
Insurance Premiums			
Producer	16,326,000	19,330,020	16,680,853
Provincial	12,905,000	15,269,708	13,211,465
Federal	15,608,500	18,505,770	15,932,601
	<u>44,839,500</u>	<u>53,105,498</u>	<u>45,824,919</u>
Less: Premium Discounts	(200,000)	(348,157)	(287,479)
Less: Hurricane Fiona Discounts (Note 5g)	<u>(105,280)</u>	<u>(84,638)</u>	<u>(1,574,658)</u>
	<u>44,534,220</u>	<u>52,672,703</u>	<u>43,962,782</u>
Contributions to Administrative Expenses			
Producer	30,000	21,945	22,110
Provincial	1,479,620	1,440,859	1,369,207
Federal	2,205,980	2,143,723	2,037,455
	<u>3,715,600</u>	<u>3,606,527</u>	<u>3,428,772</u>
Other			
Producer Contribution	400,000	442,591	458,109
Provincial Contribution	1,805,000	1,940,222	1,045,798
Federal Contribution	2,708,000	2,910,333	1,568,697
Provincial Hurricane Fiona Contribution (Note 5g)	105,280	85,448	1,596,768
Provincial Potato Wart Contribution (Note 5h)	-	(41,703)	(208,419)
Provincial COVID-19 Contribution (Note 5i)	-	(92)	95,707
Interest	450,000	2,013,143	2,824,907
	<u>5,468,280</u>	<u>7,349,942</u>	<u>7,381,567</u>
Total Revenues	<u>53,718,100</u>	<u>63,629,172</u>	<u>54,773,121</u>
EXPENSES			
Indemnities	46,550,000	53,267,409	61,336,042
Administration (Schedule 6)	3,715,600	3,606,527	3,428,772
Bad Debt	15,000	32,700	9,440
Interest and Bank Charges	-	36,197	28,417
Reinsurance Premiums (Note 8)	3,437,500	4,274,918	3,833,456
Total Expenses	<u>53,718,100</u>	<u>61,217,751</u>	<u>68,636,127</u>
ANNUAL SURPLUS (DEFICIT)	-	2,411,421	(13,863,006)
Accumulated Surplus, Beginning of Year	38,140,452	38,140,452	52,003,458
ACCUMULATED SURPLUS, END OF YEAR	<u>38,140,452</u>	<u>40,551,873</u>	<u>38,140,452</u>

(The accompanying notes and schedules are an integral part of these financial statements.)

PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

Statement of Changes in Net Financial Assets
for the year ended March 31, 2025

	2025 Budget	2025 Actual	2024 Actual
	\$	\$	\$
Net Financial Assets, Beginning of Year	38,140,452	38,140,452	51,991,523
Changes in Year			
Annual Surplus (Deficit)	-	2,411,421	(13,863,006)
Change in Prepaid Expenses	-	-	11,935
	-	2,411,421	(13,851,071)
Net Financial Assets, End of Year	38,140,452	40,551,873	38,140,452

(The accompanying notes and schedules are an integral part of these financial statements.)

PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

Statement of Cash Flows

for the year ended March 31, 2025

	<u>2025</u>	<u>2024</u>
	\$	\$
Operating Activities (Note 3)		
Annual Surplus (Deficit)	2,411,421	(13,863,006)
Changes in:		
Accounts Receivable		
Producer	(290,881)	778,400
Province of Prince Edward Island	(150,022)	1,922,873
Federal Government	(2,131,169)	145,444
Alberta Agriculture Financial Services Corporation	(11,759)	-
Accrued Interest and Other	241,702	46,176
Prepaid Expenses	-	11,935
Accounts Payable		
Province of Prince Edward Island	64,398	302,691
General	187,724	(39,510)
Indemnities Payable	1,539,737	(474,863)
Deferred Revenue	105,722	23,612
Cash Provided by (Used for) Operating Activities	<u>1,966,873</u>	<u>(11,146,248)</u>
Cash and Short-Term Investments, Beginning of Year	<u>34,503,271</u>	<u>45,649,519</u>
Cash and Short-Term Investments, End of Year	<u>36,470,144</u>	<u>34,503,271</u>

(The accompanying notes and schedules are an integral part of these financial statements.)

PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

Notes to Financial Statements

March 31, 2025

1. Nature of Operations

The Prince Edward Island Agricultural Insurance Corporation is a provincial Crown corporation operating under the *Agricultural Insurance Act*. The objective of the Corporation is to deliver business risk management programs to the agricultural sector including crop and livestock insurance programs, income stability programs, livestock price insurance programs, and recovery programs for producers in Prince Edward Island.

The Prince Edward Island Agricultural Insurance Corporation is a provincial Crown corporation and as such is not subject to taxation under the federal *Income Tax Act*.

2. Summary of Significant Accounting Policies

a) Basis of Accounting

The financial statements for the year ended March 31, 2025 have been prepared in accordance with Canadian Public Sector Accounting Standards. Since the Corporation has no unrealized gains or losses attributed to foreign exchange, derivatives, portfolio investments, or other financial instruments, a statement of remeasurement gains and losses is not prepared.

b) Financial Assets

Financial assets are those on hand at the end of an accounting period which could be used to discharge existing liabilities or finance future operations.

Cash includes amounts on deposit at a financial institution. Amounts presented on the Schedules are an allocation of the cash to each program.

Short-term investments are recorded at cost. Transaction costs are expensed as incurred.

Accounts receivable are recorded at cost less any provisions when collection is in doubt. Provisions are calculated on a specific basis.

Accrued interest is the amount of interest earned, but not received, on short-term investments.

c) Liabilities

Accounts payable and accrued liabilities are recorded for all amounts due for work performed and goods or services received during the fiscal year.

Indemnities payable are recorded for all amounts due for claims processed and accrual estimates of claims to be processed during the fiscal year.

PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

Notes to Financial Statements

March 31, 2025

2. Summary of Significant Accounting Policies (continued...)

Deferred revenue includes amounts received for AgrilInsurance program for insurance coverage beyond March 31, 2025. Revenue is recognized in the period in which the insurance coverage is in effect.

The performance obligation for livestock price insurance for policy settlement occurs at a later date. Therefore, revenue from premiums is deferred until the policy settlement date which results in deferred revenue.

d) Net Financial Assets

The Corporation's financial statements are presented to highlight net financial assets as the measure of financial position. The net financial assets is determined as financial assets less liabilities.

e) Revenues

Revenues are recognized in the period in which the transaction or event that gave rise to the revenue occurred. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impractical.

f) Expenses

Expenses are reported on an accrual basis in the period in which the transaction or event which gave rise to the expense occurred. The cost of all goods consumed, and services received during the year is expensed. Amounts presented on Schedule 7 are an allocation of expenses by object.

g) Indemnity Expenses

Indemnity expenses include claims processed, accrual estimates of claims to be processed, and any adjustments to prior years' claims based on additional information received.

h) Financial Instruments

Financial instruments consist of cash, short-term investments, accounts receivable, accounts payable, indemnities payable, and accrued interest. All financial instruments are recorded at cost or amortized cost. Due to their short-term nature, the carrying values of these financial instruments approximate their fair value.

PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

Notes to Financial Statements

March 31, 2025

2. Summary of Significant Accounting Policies (continued...)

i) Use of Estimates and Measurement Uncertainty

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Items requiring the use of significant estimates are allowance for doubtful accounts, AgriStability indemnity accruals, and the federal and provincial revenue directly related thereto.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates and the difference could be material. Additional information on the estimate for AgriStability indemnities is provided in Note 10.

j) AgrilInsurance Net Financial Assets Balance

In accordance with the Federal/Provincial/Territorial Agricultural Policy Framework Implementation Agreement, amounts in the AgrilInsurance net financial assets shall only be used for AgrilInsurance purposes. These encompass most of the entire balance of total net financial assets and are shown in detail on Schedule 1.

3. Change in Presentation of Statement of Cash Flows

Effective for the fiscal year ended March 31, 2025, the Corporation changed its method of presenting cash flows from operating activities in the Statement of Cash Flows from the direct method to the indirect method.

The change was made to align with common practice among comparable public sector entities and to enhance the understandability and comparability of the financial statements. Under the indirect method, net results for the year are adjusted for the effects of non-cash transactions, deferrals, accruals, and other items to arrive at net cash provided by (used in) operating activities.

The change in presentation has been applied retrospectively, and comparable figures for the year ended March 31, 2024, have been restated to conform with the current year's presentation. The change in method does not affect the total cash flows from operating activities. There is no impact on the net financial position or annual surplus (deficit) as a result of this change.

PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

Notes to Financial Statements

March 31, 2025

4. Risk Management of Financial Instruments

The Corporation is exposed to a number of risks as a result of the financial instruments on its statement of financial position that can affect its operating performance. These risks include interest rate, credit, liquidity, and price risk. The Corporation has no significant exposure to foreign currency risk.

a) Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Corporation manages interest rate risk by investing in short-term investments. Based on year-end cash and short-term investment balances, a 1% increase (decrease) in the bank's prime lending rate could increase (decrease) interest income by approximately \$365,000.

b) Credit Risk

Credit risk arises primarily from the Corporation's accounts receivable. The Corporation's maximum exposure to credit risk at March 31, 2025, is \$13,055,283 as noted on the statement of financial position.

Receivables from the Province of Prince Edward Island of \$3,703,690 and the federal government of \$7,214,625 are not considered to have material credit risk as payment in full is typically collected when due. Receivables of \$11,759 from Alberta Agriculture Financial Services Corporation is not considered a material credit risk as these funds are held in a separate program account for the Corporation (Note 7). Total receivables due from producers are \$2,019,753. Risks are mitigated for receivables from producers through a regular monitoring process. Exposure to credit risk is also mitigated through a policy which offsets any amounts payable to producers from indemnity or other payments under programs the Corporation administers. In addition, producers may not participate in AgrilInsurance programs until arrears from prior crop years are paid in full.

At March 31, 2025, the following accounts receivable from producers were greater than 120 days old but not considered impaired.

	<u>2025</u> \$	<u>2024</u> \$
AgrilInsurance	321,700	152,300
AgriStability	<u>81,100</u>	<u>67,200</u>
	<u>402,800</u>	<u>219,500</u>

The total value of producer accounts receivable considered to be impaired at March 31, 2025 is \$113,400 (2024 – \$83,700).

PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

Notes to Financial Statements

March 31, 2025

4. Risk Management of Financial Statements (continued...)

c) Liquidity Risk

Liquidity risk is the risk that the Corporation is unable to meet its financial obligations as they become due. The Corporation has obligations to pay indemnities and other payments required by the programs it delivers. The Corporation manages this risk by purchasing reinsurance, maintaining cash and short-term investments, and reviewing cash flow projections on a monthly basis.

d) Price Risk

The Corporation is subject to price risk in that the price of farming commodities will affect indemnities paid in the AgriStability program. The Corporation manages this risk through its federal - provincial funding of the program.

5. Program Descriptions

a) AgrilInsurance

The AgrilInsurance program is treated as a separate fund and is intended to be self-sustaining. Included under AgrilInsurance are production insurance, forage production plan, livestock insurance, and the riders - potato storage, unharvested acreage benefit, and colour for producers farming on Prince Edward Island. The assets, liabilities, and fund balance are segregated for presentation purposes on Schedule 1.

The agreement between the federal and provincial governments covers the cost sharing arrangements for insurance premiums and administrative expenses. Insurance revenues include government and producer contributions to insurance premiums. Administration expenses are cost shared on a 60-40 basis between the federal and provincial governments.

Schedule 6 to the financial statements presents the administration expenses using the functional cost categories from the agreement.

b) Late Blight Management Incentive

This program provides compensation to producers to kill potato fields infected with blight in order to reduce the spread of the disease to neighbouring fields. The provincial government contributes 100% of any eligible claim payments. No incentive payments were paid for the years ended March 31, 2025 and March 31, 2024.

c) Phytosanitary Disease Plan

This program provides protection against bacterial ring rot infection, potato wart, and nematodes in potatoes. The premium is cost shared 33.3% by the Province and 66.7% by the producer. The indemnities shall not exceed the fund balance for this plan, which for 2025 is \$1,791,670 (2024 – \$1,703,693). Indemnity payments shall be pro-rated if indemnities exceed the fund balance in any one year. The assets, liabilities and fund balance are segregated for presentation purposes on Schedule 2. Administration expenses are paid 100% by the Province and are presented on Schedule 6.

PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

Notes to Financial Statements

March 31, 2025

5. Program Descriptions (continued...)

d) AgriStability

The AgriStability program is designed to provide Canadian agricultural producers with an ongoing whole farm risk management tool that provides protection against decreases in income. The federal government will contribute 60% and the Province 40% towards eligible claim payments and administration. The federal and provincial cost sharing is based on total claim payments and administration expenses less the producer's contribution.

The assets, liabilities, and fund balance are segregated for presentation purposes on Schedule 3. Schedule 6 to the financial statements presents the administration expenses using the functional cost categories from the agreement.

e) Maritime Livestock Price Insurance Pilot Program

The Maritime Livestock Price Insurance Pilot Program was announced on June 12, 2024. This program is a risk management tool that provides PEI producers with protection against an unexpected drop in beef cattle prices over a defined period of time. Price insurance premiums are paid by the Producer. The Government of Alberta's Agriculture Financial Services Corporation (AFSC) is the central administering agency of the program providing premium calculations, establishing forward prices, collecting market data to settle claims and providing technological support for the operating system. The Agri-Commodity Management Association (ACMA) provides all education, promotion, and customer support. AFSC's and ACMA's administration expenses are shared by the participating provinces with the Corporation paying 33.33% of all costs. These administration expenses are cost shared on a 60-40 basis between the federal and provincial governments.

The assets, liabilities, and fund balance are segregated for presentation purposes on Schedule 4. Schedule 6 to the financial statements presents the administration expenses using the functional cost categories from the agreement

f) AgriRecovery

The AgriRecovery framework is a disaster relief framework which provides a coordinated process for federal, provincial, and territorial governments to respond rapidly when disasters strike, filling gaps not covered by existing programs.

On September 26, 2023 the Canada – Prince Edward Island Fiona Fruit Tree Recovery Initiative was announced. This initiative will provide eligible fruit tree growers with over \$1.7 million in federal/provincial cost-shared funding to support extraordinary costs related to Hurricane Fiona. The Corporation is administering the program. The federal government will contribute 60% and the Province 40% towards eligible claim payments and administration. Payments of \$6,302 (2024 – \$32,051) are recorded in the AgriRecovery program Schedule 5. This disaster relief initiative program ends March 31, 2025. Schedule 6 to the financial statements presents the administration expenses using the functional cost categories from the agreement.

PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

Notes to Financial Statements

March 31, 2025

5. Program Descriptions (continued...)

g) Hurricane Fiona Support

In October 2022, the Province of Prince Edward Island announced funding through AgriInsurance and AgriStability programs for those in the agriculture industry who were significantly impacted by the effects of Hurricane Fiona. An AgriInsurance Hurricane Fiona support discount is a provincial discount of 10% off producer premiums for the 2023 program year. Incentive payments of \$84,638 (2024 – \$1,561,754) are recorded as Hurricane Fiona discount and are offset by provincial Hurricane Fiona contributions in the AgriInsurance program Schedule 1.

Phytosanitary Hurricane Fiona support discount is a provincial discount of 10% off producer premiums for the 2023 program year. Incentive payments of nil (2024 – \$12,904) are recorded as Hurricane Fiona discount and are offset by provincial Hurricane Fiona contributions in the Phytosanitary program Schedule 2.

AgriStability Hurricane Fiona support changes for the 2022 program year includes the Province of Prince Edward Island covering the cost of any penalty associated with late participation. Late participation payments of \$810 (2024 – \$22,110) are recorded as Hurricane Fiona support and are offset by Provincial contributions in the AgriStability program Schedule 3.

h) Potato Wart Crisis

On November 21, 2021 Agriculture and Agri-Food Canada Minister Bibeau announced that Canadian Food Inspection Agency would voluntarily suspend trade of fresh potatoes to the United States, and signed a Ministerial Order introducing new risk mitigation measure for fresh potatoes moving across Canada.

In February 2022, the Province of Prince Edward Island announced changes to the AgriStability Program, to increase support for producers, for the 2021 and 2022 program years. The Province is paying 60% of the coverage level increase to 85% for the 2021 program year. The Province is paying 100% of the coverage level increase to 85% for the 2022 program year. The Province will fund 100% of the compensation rate increase from 70% to 80% of the loss covered for both the 2021 and 2022 program years. The 20% late participation penalty for the 2021 program year will be covered and paid by the Province. The net incentive statement balance of (\$41,703) (2024 – (\$208,419)) consists of current year net collection of benefit overpayments of \$83,703 offset by the reversal of prior year accrual of \$42,000. Potato Wart support contributions are recorded in the AgriStability program Schedule 3.

PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

Notes to Financial Statements

March 31, 2025

5. Program Descriptions (continued...)

i) COVID-19 Pandemic Incentive

In April 2020, the Province of Prince Edward Island announced COVID-19 funding for agriculture producers through the AgriStability programs. AgriStability COVID-19 changes for the 2020 and 2021 program years include paying the provincial portion (40%) of increasing the coverage level to 85%. The net incentive statement balance of (\$92) (2024 – 95,707) consists of current year collection of benefit overpayments of \$104,092 offset by the reversal of prior year accrual of \$104,000. COVID support incentives are recorded in the AgriStability program Schedule 3.

6. Cash and Short-term Investments

	<u>2025</u> \$	<u>2024</u> \$
Cash	26,470,144	21,028,001
Short-term investments	<u>10,000,000</u>	<u>13,475,270</u>
	<u>36,470,144</u>	<u>34,503,271</u>

Short-term investments consist of guaranteed investment certificates with interest rates ranging from 3.18% up to 3.70% maturing within 255 days.

7. Accounts Receivable from Alberta Agriculture Financial Services Corporation

The Government of Alberta's Agriculture Financial Services Corporation is the central administering agent for Maritime Livestock Price Insurance Pilot Program. This amount represents the premiums collected from PEI producers for the program, plus interest earned. Total amount for the year:

	<u>2025</u> \$
Balance, beginning of year	-
Bank interest	197
Total premiums collected	<u>11,562</u>
Balance, end of year	<u>11,759</u>

8. Reinsurance

The Corporation purchases reinsurance to protect against significant losses in the AgriInsurance program. For 2025, reinsurance coverage provided protection against indemnities starting at \$69.8 million and ending at \$186.0 million (2024 – \$74.9 million to \$181.5 million) for most programs. The insured value of programs not included in the excess insurance coverage is \$5.2 million (2024 – \$4.2 million).

Reinsurance coverage was not triggered for the years ended March 31, 2025, and March 31, 2024.

PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

Notes to Financial Statements

March 31, 2025

9. Employee Future Benefits

As per the Federal/Provincial/Territorial Agricultural Policy Framework Implementation Agreement, the Corporation can claim certain employee costs on its administrative claims. The Province of PEI Department of Agriculture (Department) employs all staff working on behalf of the Corporation. The administration claims include allocations made from the Department to the Corporation for its share of the employees' costs. These expenses and the related contributions are recognized in the period in which they are recoverable.

a) Sick Leave

All Department employees are credited 1.25 (excluded employees 1.5) days per month for use as paid absences in the year, due to illness or injury. Under existing employment agreements, employees are allowed to accumulate unused sick day credits each year up to the allowable maximum. Accumulated credits may be used in future years to the extent the employee's illness or injury exceeds the current year's allocation. The use of accumulated sick days for sick leave compensation ceases on termination of employment and there is no obligation to settle these amounts with cash payments. A liability has not been calculated and no accrual has been recorded in these financial statements. The related liability is recorded by the Province.

b) Pension Benefits

Permanent employees of the Department participate in the Province of Prince Edward Island Public Sector Pension Plan (the Plan) which is a multi-employer contributory defined benefit pension plan. The annual pension for service prior to December 31, 2013, is based on the number of pensionable years of service, times 2% of the average best three years' annualized salary, with a reduction at age 65 for estimated Canada Pension Plan (CPP) benefits. The resulting pension amount represents the guaranteed base benefit. For service commencing January 1, 2014, pension amounts are based on the same formula as described above, applied to an employee's average weighted indexed pensionable salary. The resulting annual pension amount each year thereafter is added to the existing annual pension and becomes the new guaranteed base benefit. Indexing is subject to the funded levels of the plan after December 31, 2016.

The Plan is administered by the Province of Prince Edward Island. The amounts included by the Corporation on its administrative claim of nil (2024 – \$165,600) were paid by the Province. Any unfunded liability of the Plan is the responsibility of the Province and therefore no liability has been recognized in these financial statements. For additional information on the Plan, see the Province's consolidated financial statements.

c) Retirement Allowance

Permanent employees of the Department earn one week's pay for every year of service to a maximum of 26 weeks' pay as a retiring allowance. Retirement allowances are recoverable from the Province of Prince Edward Island and the federal government under existing cost sharing agreements. The method and timing of recovering the costs of providing retirement allowances to employees varies between the cost sharing agreements of the programs administered.

PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

Notes to Financial Statements

March 31, 2025

9. Employee Future Benefits (continued...)

d) Insurance Benefits

The Public Sector Group Insurance Plan provides life insurance, long-term disability, health, and dental benefits to eligible employees of the Department. This plan is administered by a multi-employer, multi-union Board of Trustees who is responsible for any unfunded liabilities of this plan. The cost of insured benefits reflected in the administrative costs is the employer's portion for the insurance premiums owed for coverage of employees during the period. The total for the period is \$95,400 (2024 – \$82,880).

10. AgriStability Indemnity Estimate

Management has prepared an estimate of the Corporation's accrued liability for indemnity payments with respect to unprocessed AgriStability files as of March 31, 2025. For the 2024 program year, estimates are determined using a five-year average of program payments. Actual results may be significantly different from the estimated amounts.

Indemnities paid in the AgriStability program vary significantly from year to year. In the past ten years, annual program payments have varied from \$2.5 million to \$5.7 million. The estimate for the most recent program year (2024) is based on historical averages. The historical averages are adjusted for benefit coverage under the Sustainable Canadian Agricultural Partnership Agreement (which is applicable for the 2023-2027 program years). As of March 31, 2025, three participant files had been processed for the 2024 program year. A 10% increase (decrease) in the 2024 program year payments will increase (decrease) the indemnity revenue and expense by \$302,000. A 30% increase (decrease) in the 2024 program year payments will increase (decrease) the indemnity revenue and expenses by \$907,000.

11. Related Party Transactions

During the year, four Board members had controlling interests in farms participating in various programs offered by the Corporation. Premiums and program fees were collected, and indemnities were paid during the year. These transactions were in the normal course of operations and were measured at the normal exchange amounts established by the Corporation.

The Province of Prince Edward Island employs all staff working within the Corporation. Allocations are made to the Corporation for its share of the salary and insurance benefits as well as for other administration expenses paid by the Province. These costs are reflected as administration expenses in the Corporation's statement of operations and accumulated surplus.

There are resources provided to the Corporation by the Province of Prince Edward Island such as office accommodations, professional services, and tangible capital assets owned by the Province but used by the Corporation. These costs are assumed by the Province and are not reflected in these financial statements.

PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

Notes to Financial Statements

March 31, 2025

12. Budgeted Figures

Budgeted figures have been provided for comparative purposes and have been derived from the estimates approved by the Board of Directors and the Province. These amounts have not been subject to audit or review by the external auditors.

13. Prior Period Comparative Figures

Certain prior period comparatives have been restated to conform to the presentation format adopted in the current period.

PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

AgrilInsurance

Statement of Financial Position
as at March 31, 2025

Schedule 1

	2025	2024
	\$	\$
FINANCIAL ASSETS		
Cash and Short-Term Investments	35,842,081	33,260,983
Accounts Receivable		
Producer	1,933,488	1,195,687
Province of Prince Edward Island	2,122,398	1,825,021
Federal Government	3,413,956	3,099,917
Accrued Interest	99,815	347,158
	<u>7,569,657</u>	<u>6,467,783</u>
Total Financial Assets	<u>43,411,738</u>	<u>39,728,766</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities		
Province of Prince Edward Island	1,616,034	1,639,092
General	299,174	109,520
Indemnities Payable	2,525,653	1,415,903
Deferred Revenue	212,530	127,492
Total Liabilities	<u>4,653,391</u>	<u>3,292,007</u>
NET FINANCIAL ASSETS AND ACCUMULATED SURPLUS	<u><u>38,758,347</u></u>	<u><u>36,436,759</u></u>

PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

AgrilInsurance

Statement of Operations and Accumulated Surplus
for the year ended March 31, 2025

Schedule 1 (Continued)

	2025 Budget \$	2025 Actual \$	2024 Actual \$
REVENUES			
Insurance Premiums			
Producer	16,207,000	19,155,515	16,551,818
Provincial	12,845,000	15,183,260	13,146,928
Federal	15,608,500	18,505,770	15,932,601
	<u>44,660,500</u>	<u>52,844,545</u>	<u>45,631,347</u>
Less: Premium Discounts	(200,000)	(348,157)	(287,479)
Less: Hurricane Fiona Discounts (Note 5g)	<u>(105,280)</u>	<u>(84,638)</u>	<u>(1,561,754)</u>
	<u>44,355,220</u>	<u>52,411,750</u>	<u>43,782,114</u>
Contributions to Administrative Expenses			
Provincial	1,230,620	1,118,076	1,113,737
Federal	1,845,980	1,677,111	1,670,606
	<u>3,076,600</u>	<u>2,795,187</u>	<u>2,784,343</u>
Other			
Provincial Hurricane Fiona Contribution (Note 5g)	105,280	84,638	1,561,754
Interest	450,000	1,979,345	2,798,742
	<u>555,280</u>	<u>2,063,983</u>	<u>4,360,496</u>
Total Revenues	<u>47,987,100</u>	<u>57,270,920</u>	<u>50,926,953</u>
EXPENSES			
Indemnities	41,458,000	47,843,781	58,194,040
Administration (Schedule 6)	3,076,600	2,795,187	2,784,343
Bad Debt	15,000	32,700	9,440
Interest and Bank Charges	-	2,746	2,781
Reinsurance Premiums (Note 8)	3,437,500	4,274,918	3,833,456
Total Expenses	<u>47,987,100</u>	<u>54,949,332</u>	<u>64,824,060</u>
ANNUAL SURPLUS (DEFICIT)	-	2,321,588	(13,897,107)
Accumulated Surplus, Beginning of Year	36,436,759	36,436,759	50,333,866
ACCUMULATED SURPLUS, END OF YEAR	<u>36,436,759</u>	<u>38,758,347</u>	<u>36,436,759</u>

PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

AgrilInsurance

Statement of Changes in Net Financial Assets
for the year ended March 31, 2025

Schedule 1 (Continued)

	2025 Budget	2025 Actual	2024 Actual
	\$	\$	\$
Net Financial Assets, Beginning of Year	36,436,759	36,436,759	50,321,931
Changes in Year			
Annual Surplus (Deficit)	-	2,321,588	(13,897,107)
Change in Prepaid Expenses	-	-	11,935
	-	2,321,588	(13,885,172)
Net Financial Assets, End of Year	36,436,759	38,758,347	36,436,759

PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

AgrilInsurance

Statement of Cash Flows

for the year ended March 31, 2025

Schedule 1 (Continued)

	<u>2025</u>	<u>2024</u>
	\$	\$
Operating Activities (Note 3)		
Annual Surplus (Deficit)	2,321,588	(13,897,107)
Changes in:		
Accounts Receivable		
Producer	(737,801)	660,804
Province of Prince Edward Island	(297,377)	(180,578)
Federal Government	(314,039)	441,031
Accrued Interest	247,343	46,176
Prepaid Expenses	-	11,935
Accounts Payable		
Province of Prince Edward Island	(23,058)	227,827
General	189,654	(20,490)
Indemnities Payable	1,109,750	1,160,136
Deferred Revenue	85,038	23,612
Cash Provided by (Used for) Operating Activities	<u>2,581,098</u>	<u>(11,526,654)</u>
Cash and Short-Term Investments, Beginning of Year	<u>33,260,983</u>	<u>44,787,637</u>
Cash and Short-Term Investments, End of Year	<u>35,842,081</u>	<u>33,260,983</u>

PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

Phytosanitary Disease Plan

Statement of Financial Position
as at March 31, 2025

Schedule 2

	2025	2024
	\$	\$
FINANCIAL ASSETS		
Cash	1,960,657	1,863,693
Total Financial Assets	1,960,657	1,863,693
LIABILITIES		
Indemnities Payable	168,987	160,000
Total Liabilities	168,987	160,000
NET FINANCIAL ASSETS AND ACCUMULATED SURPLUS	1,791,670	1,703,693

Statement of Operations and Accumulated Surplus
for the year ended March 31, 2025

	2025 Budget	2025 Actual	2024 Actual
	\$	\$	\$
REVENUES			
Insurance Premiums			
Producer	119,000	172,845	129,035
Provincial	60,000	86,448	64,537
	179,000	259,293	193,572
Less: Hurricane Fiona Discounts (Note 5g)	-	-	(12,904)
	179,000	259,293	180,668
Contributions to Administrative Expenses			
Provincial	9,000	6,156	6,006
Other			
Provincial Hurricane Fiona Contribution (Note 5g)	-	-	12,904
Interest	-	151	529
	-	151	13,433
Total Revenues	188,000	265,600	200,107
EXPENSES			
Indemnities	179,000	171,467	160,000
Administration (Schedule 6)	9,000	6,156	6,006
Total Expenses	188,000	177,623	166,006
ANNUAL SURPLUS	-	87,977	34,101
Accumulated Surplus, Beginning of Year	1,703,693	1,703,693	1,669,592
ACCUMULATED SURPLUS, END OF YEAR	1,703,693	1,791,670	1,703,693

PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION
Phytosanitary Disease Plan

Statement of Cash Flows

for the year ended March 31, 2025

Schedule 2 (Continued)

	<u>2025</u>	<u>2024</u>
	\$	\$
Operating Activities (Note 3)		
Annual Surplus	87,977	34,101
Changes in:		
Indemnities Payable	8,987	160,000
Cash Provided by Operating Activities	<u>96,964</u>	<u>194,101</u>
Cash and Short-Term Investments, Beginning of Year	<u>1,863,693</u>	<u>1,669,592</u>
Cash and Short-Term Investments, End of Year	<u>1,960,657</u>	<u>1,863,693</u>

PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

AgriStability

Statement of Financial Position
as at March 31, 2025

Schedule 3

	2025	2024
	\$	\$
FINANCIAL ASSETS		
Cash	(1,325,756)	(589,354)
Accounts Receivable		
Producer	81,125	533,185
Province of Prince Edward Island	1,578,771	1,715,827
Federal Government	3,714,666	1,959,725
	<u>5,374,562</u>	<u>4,208,737</u>
Total Financial Assets	<u>4,048,806</u>	<u>3,619,383</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities		
Province of Prince Edward Island	401,565	391,212
General	21,210	23,140
Indemnities Payable (Note 10)	3,626,031	3,205,031
Total Liabilities	<u>4,048,806</u>	<u>3,619,383</u>
NET FINANCIAL ASSETS AND ACCUMULATED SURPLUS	<u>-</u>	<u>-</u>

PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

AgriStability

Statement of Operations and Accumulated Surplus
for the year ended March 31, 2025

Schedule 3 (Continued)

	2025 Budget	2025 Actual	2024 Actual
	\$	\$	\$
REVENUES			
Contributions to Administrative Expenses			
Producer	30,000	21,945	22,110
Provincial	240,000	262,171	246,408
Federal	360,000	384,926	362,266
	<u>630,000</u>	<u>669,042</u>	<u>630,784</u>
Other			
Producer Contribution	400,000	442,591	458,109
Provincial Contribution	1,805,000	1,937,701	1,032,978
Federal Contribution	2,708,000	2,906,552	1,549,466
Provincial Hurricane Fiona Contribution (Note 5g)	-	810	22,110
Provincial Potato Wart Contribution (Note 5h)	-	(41,703)	(208,419)
Provincial COVID-19 Contribution (Note 5i)	-	(92)	95,707
Interest	-	33,451	25,636
	<u>4,913,000</u>	<u>5,279,310</u>	<u>2,975,587</u>
Total Revenues	<u>5,543,000</u>	<u>5,948,352</u>	<u>3,606,371</u>
EXPENSES			
Indemnities	4,913,000	5,245,859	2,949,951
Administration (Schedule 6)	630,000	669,042	630,784
Interest and Bank Charges	-	33,451	25,636
Total Expenses	<u>5,543,000</u>	<u>5,948,352</u>	<u>3,606,371</u>
ANNUAL SURPLUS	-	-	-
Accumulated Surplus, Beginning of Year	-	-	-
ACCUMULATED SURPLUS, END OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>

PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION
AgriStability

Statement of Cash Flows

for the year ended March 31, 2025

Schedule 3 (Continued)

	<u>2025</u>	<u>2024</u>
	\$	\$
Operating Activities (Note 3)		
Annual Surplus	-	-
Changes in:		
Accounts Receivable		
Producer	452,060	117,596
Province of Prince Edward Island	137,056	2,116,271
Federal Government	(1,754,941)	(271,773)
Accounts Payable		
Province of Prince Edward Island	10,353	70,281
General	(1,930)	(19,020)
Indemnities Payable	421,000	(1,794,999)
Cash Provided by (Used for) Operating Activities	<u>(736,402)</u>	<u>218,356</u>
Cash and Short-Term Investments, Beginning of Year	<u>(589,354)</u>	<u>(807,710)</u>
Cash and Short-Term Investments, End of Year	<u>(1,325,756)</u>	<u>(589,354)</u>

PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION
Maritime Livestock Price Insurance Pilot Program

Statement of Financial Position
as at March 31, 2025

Schedule 4

	2025
	\$
FINANCIAL ASSETS	
Accounts Receivable	
Producer	5,140
Federal Government	80,992
Alberta Agriculture Financial Services Corporation (Note 7)	11,759
Other	5,641
	<u>103,532</u>
Total Financial Assets	<u>103,532</u>
LIABILITIES	
Accounts Payable and Accrued Liabilities	
Province of Prince Edward Island	80,992
Deferred Revenue	20,684
Total Liabilities	<u>101,676</u>
NET FINANCIAL ASSETS AND ACCUMULATED SURPLUS	<u>1,856</u>

Statement of Operations and Accumulated Surplus
for the year ended March 31, 2025

	2025
	Actual
	\$
REVENUES	
Insurance Premiums	
Producer	<u>1,660</u>
Contributions to Administrative Expenses	
Provincial	53,994
Federal	80,992
	<u>134,986</u>
Other	
Interest	<u>196</u>
Total Revenues	<u>136,842</u>
EXPENSES	
Administration (Schedule 6)	134,986
Total Expenses	<u>134,986</u>
ANNUAL SURPLUS	1,856
Accumulated Surplus, Beginning of Year	-
ANNUAL SURPLUS, END OF YEAR	<u>1,856</u>

PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION
Maritime Livestock Price Insurance Pilot Program

Statement of Cash Flows

for the year ended March 31, 2025

Schedule 4 (Continued)

	<u>2025</u>
	<u>\$</u>
Operating Activities (Note 3)	
Annual Surplus	1,856
Changes in:	
Accounts Receivable	
Producer	(5,140)
Federal Government	(80,992)
Alberta Agriculture Financial Services Corporation	(11,759)
Other	(5,641)
Accounts Payable	
Province of Prince Edward Island	80,992
Deferred Revenue	20,684
Cash Provided by Operating Activities	<u>-</u>
Cash and Short-Term Investments, Beginning of Year	<u>-</u>
Cash and Short-Term Investments, End of Year	<u><u>-</u></u>

PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

AgriRecovery

Statement of Financial Position
as at March 31, 2025

Schedule 5

	2025	2024
	\$	\$
FINANCIAL ASSETS		
Cash	(6,838)	(32,051)
Accounts Receivable		
Province of Prince Edward Island	2,521	12,820
Federal Government	5,011	23,814
	7,532	36,634
Total Financial Assets	694	4,583
LIABILITIES		
Accounts Payable and Accrued Liabilities		
Province of Prince Edward Island	694	4,583
Total Liabilities	694	4,583
NET FINANCIAL ASSETS AND ACCUMULATED SURPLUS	-	-

Statement of Operations and Accumulated Surplus
for the year ended March 31, 2025

	2025	2024
	Actual	Actual
	\$	\$
REVENUES		
Contributions to Administrative Expenses		
Provincial	462	3,056
Federal	694	4,583
	1,156	7,639
Other		
Provincial Contribution	2,521	12,820
Federal Contribution	3,781	19,231
	6,302	32,051
Total Revenues	7,458	39,690
EXPENSES		
Indemnities	6,302	32,051
Administration (Schedule 6)	1,156	7,639
Total Expenses	7,458	39,690
ANNUAL SURPLUS	-	-
Accumulated Surplus, Beginning of Year	-	-
ANNUAL SURPLUS, END OF YEAR	-	-

PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION
AgriRecovery

Statement of Cash Flows

for the year ended March 31, 2025

Schedule 5 (Continued)

	<u>2025</u>	<u>2024</u>
	\$	\$
Operating Activities (Note 3)		
Annual Surplus	-	-
Changes in:		
Accounts Receivable		
Province of Prince Edward Island	10,299	(12,820)
Federal Government	18,803	(23,814)
Accounts Payable		
Province of Prince Edward Island	(3,889)	4,583
Cash Provided by (Used for) Operating Activities	<u>25,213</u>	<u>(32,051)</u>
Cash and Short-Term Investments, Beginning of Year	(32,051)	-
Cash and Short-Term Investments, End of Year	<u>(6,838)</u>	<u>(32,051)</u>

PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

Schedule of Administration Expenses
for the year ended March 31, 2025

Schedule 6

	2025	2024
	\$	\$
AgriInsurance		
Accommodations	67,652	57,043
Audit (Field)	52,550	53,161
Finance	167,024	108,097
Human Resources	32,218	29,834
Operations - Adjusting	875,680	864,861
Operations - Insurance Processing	716,300	724,292
Policy Administration	58,903	67,858
Program Sales and Promotion	509,329	527,964
Research, Development and Underwriting	129,111	310,534
Systems Maintenance and Support	165,987	57,834
Toll Free (Call Centre)	3,163	3,355
	<u>2,777,917</u>	<u>2,804,833</u>
Accruals	<u>17,270</u>	<u>(20,490)</u>
	<u>2,795,187</u>	<u>2,784,343</u>
 Phytosanitary Disease Plan		
Program Sales and Promotion	<u>6,156</u>	<u>6,006</u>
 AgriStability		
Accommodations	4,076	5,636
Audit	7,472	5,347
Data Capture	57,954	59,826
Economic Research and Analysis	29,731	53,309
Finance	86,387	47,306
Forms Processing	233,996	247,192
Human Resources	7,954	8,611
Policy Administration	20,159	24,383
Prepayment Review / Quality Assurance	138,145	143,560
Program Promotion	34,492	37,390
Provincial Share of Federal Administration Fees	5,408	4,365
Systems Maintenance and Support	41,175	8,613
Toll Free (Call Centre)	4,023	4,266
	<u>670,972</u>	<u>649,804</u>
Accruals	<u>(1,930)</u>	<u>(19,020)</u>
	<u>669,042</u>	<u>630,784</u>
 Maritime Livestock Price Insurance Pilot Program		
Salary	6,956	-
Other Expenses	<u>128,030</u>	<u>-</u>
	<u>134,986</u>	<u>-</u>
 AgriRecovery		
Salary	1,156	7,439
Other Expenses	<u>-</u>	<u>200</u>
	<u>1,156</u>	<u>7,639</u>
 Total	<u><u>3,606,527</u></u>	<u><u>3,428,772</u></u>

PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

Expenses by Object

for the year ended March 31, 2025

Schedule 7

	2025	2024
	\$	\$
Administration	4,387,830	3,891,563
Debt - Provision and Others	68,897	37,857
Equipment	13,489	11,316
Materials, Supplies and Services	43,657	37,205
Professional Fees	173,307	204,103
Salaries and Benefits	2,965,698	2,890,719
Travel and Training	297,464	227,323
Transfer Payments	53,267,409	61,336,041
Total	61,217,751	68,636,127

P.E.I. Agricultural Insurance Corporation

Contact Information

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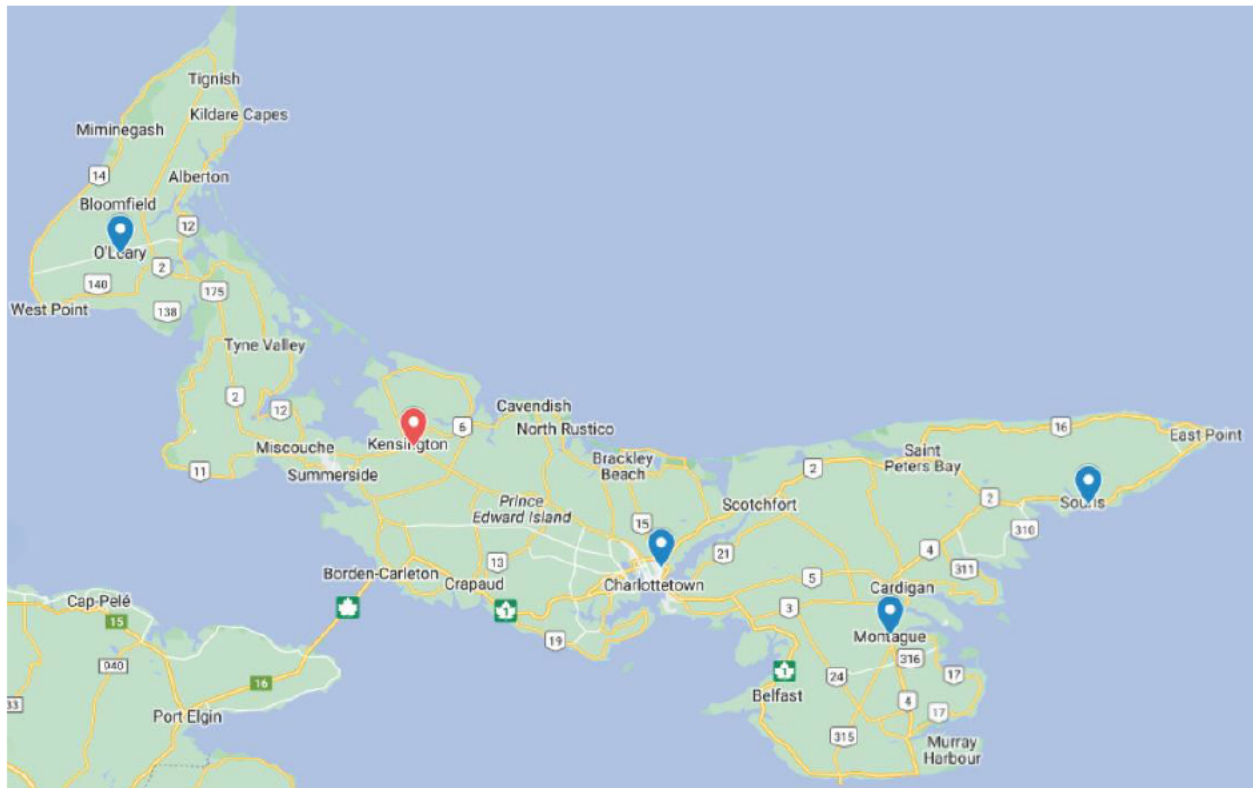


www.PEIAIC.ca



PEI Agriculture

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