



PRINCE EDWARD ISLAND  
ÎLE-DU-PRINCE-ÉDOUARD

# **AGRICULTURAL INSURANCE ACT LIVESTOCK INSURANCE REGULATIONS**

## PLEASE NOTE

This document, prepared by the *Legislative Counsel Office*, is an office consolidation of this regulation, current to March 18, 2017. It is intended for information and reference purposes only.

This document is *not* the official version of these regulations. The regulations and the amendments printed in the *Royal Gazette* should be consulted on the Prince Edward Island Government web site to determine the authoritative text of these regulations.

For more information concerning the history of these regulations, please see the *Table of Regulations* on the Prince Edward Island Government web site ([www.princeedwardisland.ca](http://www.princeedwardisland.ca)).

If you find any errors or omissions in this consolidation, please contact:

*Legislative Counsel Office*

*Tel: (902) 368-4292*

*Email: [legislation@gov.pe.ca](mailto:legislation@gov.pe.ca)*

**AGRICULTURAL INSURANCE ACT****Chapter A-8.2****LIVESTOCK INSURANCE REGULATIONS**

Pursuant to section 16 of the *Agricultural Insurance Act* R.S.P.E.I. 1988, Cap. A-8.2, the Board of the Prince Edward Island Agricultural Insurance Corporation, with the approval of the Lieutenant Governor in Council, made the following regulations:

**1. Definitions**

In these regulations

- (a) “**Act**” means the *Agricultural Insurance Act* R.S.P.E.I. 1988, Cap. A-8.2;
- (b) “**Agreement**” means the Livestock Insurance Agreement consisting of these regulations and Schedules, which have been approved by the Board for insurance coverage offered by the Corporation;
- (c) “**agricultural product**” means
  - (i) an animal, a plant or an animal or plant product, or
  - (ii) a product, including any food or drink, that is wholly or partly derived from an animal or a plant;
- (d) “**Appeal Board**” means the Appeal Board established under section 14 of the Act;
- (e) “**Board**” means the Board of Directors of the Corporation;
- (f) “**Corporation**” means the Prince Edward Island Agricultural Insurance Corporation established under section 2 of the Act;
- (g) “**coverage level**” means the percentage of the total production, insured value or livestock numbers on any farm enterprise that is insured under an insurance scheme and has the same meaning as set out in the Act;
- (h) “**coverage period**” means that period of time in respect of each insurable livestock commencing from the date an application for an insurance plan is filed to the final date for filing a Proof of Loss, as stated in the Schedules;
- (i) “**crop year**” means any 12 month period which represents the birth, growing, harvesting, production and marketing of livestock or livestock products, as stated in the Schedules;
- (j) “**declared production**” means any livestock or livestock product that the insured declares on an Inventory and Production Report for that crop year;
- (k) “**deductible**” means that portion of the insured value for which no indemnity is payable;
- (l) “**Department**” means the Department of Agriculture;

- (m) “**destruction**” means the disposal of insured livestock or livestock products by any means acceptable to the Corporation;
- (n) “**financial independence**” means that the insured has resources in place to finance the insured livestock and livestock products thus allowing the insured to manage, sell and pay for operation expenses incurred to produce the livestock or livestock products and shall be evaluated based on the following criteria:
- (i) operating credit,
  - (ii) farm income and expense statements for income tax purposes,
  - (iii) invoices for inputs purchased,
  - (iv) a bill of sale for any livestock or livestock product insured,
  - (v) a valid GST rebate tax number;
- (o) “**guaranteed yield**” means that production of livestock or livestock products which the contract of insurance guarantees and for which an insurance indemnity is available, subject to any deductible portion or adjustments that are allowed by the Corporation;
- (p) “**insurable livestock**” means farm animals owned by the insured and housed in the province and includes any animal designated for insurance purposes and identified in the Schedules;
- (q) “**insurance plan**” means a set of insurance features for a livestock group or livestock product insured under an insurance scheme and has the same meaning as set out in the Act and contains details that are set out in the Schedules;
- (r) “**insured**” means an individual, partnership or corporation insured under a policy issued by the Corporation;
- (s) “**insured value**” means the maximum value of insurable livestock or livestock products for which an indemnity can be paid, as established for insurance purposes and stated on a per unit, insurable crop or insurance plan basis;
- (t) “**laboratory**” means an accredited Veterinary Pathology Laboratory and one which can provide diagnostic results on diseases or diseased livestock;
- (u) “**livestock building**” means any building owned or leased by an insured and used to house livestock insured under an insurance plan;
- (v) “**livestock product**” means any livestock product produced in the province and includes any agricultural product designated for insurance purposes and identified in the Schedules;
- (w) “**loss ratio**” means the ratio between the total indemnity paid to an insured for an insurable crop during a preceding time period, and the total premiums collected from the insured and the Government of Canada and the Government of Prince Edward Island on the same insurable crop and for the same time period;
- (x) “**non-arm’s length relationship**” means a working relationship between
- (i) a husband and wife (including common-law spouses),
  - (ii) a grandparent or parent and child (including step-parents and step-children),
  - (iii) siblings (including step-siblings),
  - (iv) a person and his or her brother-in-law or sister-in-law,
  - (v) a partnership and its partners, or
  - (vi) a corporation and its shareholders;
- (y) “**operationally dependent**” means that the applicant does not own or lease sufficient equipment to feed, manage, grow, handle and harvest livestock or livestock products,



- but instead depends on custom work or other services to the extent that it affects management control of the crop;
- (z) **“optional coverage”** means the level of coverage, the unit price or any other option offered for each insurance plan and chosen by the insured to apply to the insured’s policy;
- (aa) **“policy”** means a contract for insurance coverage issued to the insured by the Corporation, and includes
- (i) the completed application form,
  - (ii) a signed Agreement or contract of insurance,
  - (iii) the Inventory and Production Report of the insured,
  - (iv) these regulations,
  - (v) the Schedules,
  - (vi) the statement of account, and
  - (vii) any amendment to any document referred to in subclause (i), (ii), (iii), or (vi), and agreed to in writing by the Corporation and the insured;
- (bb) **“premium”** means the cost to insure an insurable crop or insurance plan that is established using the insured value, the premium rates approved by the Board and those adjustments that are included and expressed on a per unit, insurable crop or insurance plan basis;
- (cc) **“production”** means the total units of livestock or livestock products reported by the insured in the Final Inventory and Production Report;
- (dd) **“rider”** means any rider issued by the Corporation and forming part of the policy;
- (ee) **“Schedules”** means the documents approved by the Board containing the specific descriptions, terms and conditions for each insurable crop or insurance plan and listed as part of the Agreement;
- (ff) **“unit price”** means the maximum price per unit of the insurable crop or any product thereof, as established by the Board and approved by Agriculture and Agri-Food Canada by means of their Unit Price Test. (EC196/09)

## 2. **crop, defined**

- (1) For the purposes of these regulations, **“crop”** includes livestock and livestock products.

### **Purpose**

- (2) The purpose of the livestock insurance program is to provide insurance coverage for losses to livestock or livestock products, as described in the Schedules, resulting from one or more of the insurable perils listed in subsection 7(1).

### **Insurable crop**

- (3) Insurable crops are those livestock or livestock products that have been approved for insurance coverage by the Board and for which Schedules have been prepared and approved.

### **Idem**

- (4) All livestock or livestock products must be offered for insurance coverage in order to have a valid contract of insurance.

### **Coverage**

- (5) Those insurable livestock and livestock products identified in the Schedules are eligible for coverage under an individual insurance contract. (EC196/09)

**3. Independent applicant**

- (1) For the purposes of the livestock insurance program, an applicant for a contract of insurance must be financially and operationally independent of all other farm businesses growing the same insurable livestock or livestock products.

**Documents to prove financial independence**

- (2) Before separate insurance contracts can be issued for a farm operation with multiple partners or owners, or before insurable livestock or livestock products on a farm unit can be split, the insured must provide documents to prove financial independence, as defined in clause 1(n).

**Idem**

- (3) All criteria defined for financial independence must be met or the Corporation shall deem the insureds to be one insured and the applications shall be combined as a single insured for the purposes of subsection 6(1).

**Deemed to be one insured**

- (4) If, at any time, an insured who claims to be financially independent of another insured is found by the Corporation not to be financially independent of the other insured, the Corporation shall deem the insureds to be one insured, for the purposes of subsection 6(1), for the crop year and for any subsequent crop years for which the insureds apply for insurance.

**Eligibility**

- (5) Where applications for contracts of insurance are made by corporations and partnerships, the financial independence of the shareholders or partners from other farm businesses growing the same insurable crop will be factors in deciding eligibility.

**Operational dependence**

- (6) If an applicant
- (a) is operationally dependent on another insured; and
  - (b) has a non-arm's length relationship with that insured,

the records of the Corporation relating to both the applicant and the other insured may be used to determine the coverage and to determine the premium discount or surcharges and, where such a relationship exists, that person and the other insured will be deemed to be operationally dependent. (EC196/09)

**4. Identification**

- (1) All insurable livestock and livestock products shall be properly identified and declared to the Corporation.

**Idem**

- (2) The insurable livestock and livestock products referred to in subsection (1) shall be subject to an inventory count by the Corporation, at any time during the crop year. (EC196/09)

**5. Premium**

The premium prescribed under any Agreement shall be reduced by such payments as may be made by the Government of Canada under the *Farm Income Protection Act* (Canada) and by the Government of Prince Edward Island. (EC196/09)



## OBLIGATION TO INSURE

### 6. Insurance coverage

- (1) The insured shall offer for insurance all livestock and livestock products identified under an insurance plan which are produced by the insured in the province, and the policy shall apply to all livestock and livestock products produced in facilities owned or leased by the insured.

#### Criteria

- (2) The criteria for financial independence, as outlined in clause 1(n), and operational independence, as outlined in section 3, shall define a single insured and subsection 6(1) shall apply to each insured as a single insured. (EC196/09)

## PERILS COVERED

### 7. Perils

- (1) Subject to the terms and conditions thereof, a livestock insurance agreement covers a production loss of livestock or livestock products during the crop year caused by one or more of the following designated perils which pertain to the insurable livestock, livestock products or insurance plan:
  - (a) reportable diseases that are designated pursuant to the *Health of Animals Act* (Canada), except bovine spongiform encephalopathy (“BSE”) and foot and mouth disease (“FMD”);
  - (b) pasteurella pneumonia (shipping fever);
  - (c) infectious bovine rhinotracheitis (respiratory form).

#### Exclusions, control programs

- (2) Notwithstanding clause 1(a), a livestock insurance agreement does not insure against a loss resulting from
  - (a) disease or death losses unless the insured establishes that the insured followed a control program acceptable to the Department and the Corporation; or
  - (b) disease or death losses where compensation is provided from another source, as outlined in section 27. (EC196/09)

## EXTENT OF COVERAGE

### 8. Contract period

- (1) Subject to the Act and these regulations, a livestock insurance agreement is valid from the date those conditions outlined in clause 1(aa) are met until the date identified in the Schedules for submitting a Proof of Loss, unless an additional period of coverage is approved, in writing, by the Corporation.

#### Coverage

- (2) All livestock or livestock products will be insured for losses from those designated perils listed in subsection 7(1) and in the Schedules, up to and including the final date as listed in subsection (1).

**Extended coverage**

- (3) Those livestock or livestock products for which extended coverage is prescribed and permitted will be insured for losses from a designated peril from the prescribed final date for coverage to the final date for filing a Proof of Loss, or as otherwise stated in the Schedules.

**Obligation to declare losses**

- (4) The insured shall declare all losses of livestock or livestock products by the final date for filing a Proof of Loss. *(EC196/09)*

**EXCLUDED COVERAGE****9. Exclusions**

- (1) An Agreement does not insure against, and no indemnity shall be paid, in respect of a loss resulting from
- (a) the negligence, misconduct, or poor farming practices of the insured or of agents or employees of the insured;
  - (b) a peril other than the designated perils listed in subsection 7(1) or in the Schedules;
  - (c) livestock or livestock products contaminated with diseases or conditions considered unacceptable by the insurer that existed prior to the date of application for insurance coverage; or
  - (d) a shortage of labour or machinery.

**Notice of Loss**

- (2) Subject to section 17, the insured must notify the Corporation of any problems with an insured crop by completing a Notice of Loss.

**Elimination of coverage**

- (3) Failure by an insured to notify the Corporation of any problems with an insured crop shall eliminate all insurance coverage on that crop. *(EC196/09)*

**INSURABLE INTEREST AND ASSIGNMENT****10. Insurable interest**

Notwithstanding that a person other than the insured holds an interest of any kind in an insurable crop,

- (a) the interest of the insured is deemed to be the insured value of the livestock or livestock products which are covered by the contract of insurance; and
- (b) subject to section 11, no indemnity shall be paid to any person other than the insured. *(EC196/09)*

**11. Assignment**

The insured may assign all or part of the insured's right to an indemnity under a livestock insurance agreement in respect of the livestock or livestock products, but an assignment is not binding on the Corporation and no payment of an indemnity shall be made to an assignee, unless

- (a) the assignment is made on a form acceptable to the Corporation; and





- (b) the Corporation gives its consent to the assignment in writing. (EC196/09)

## APPLICATION AND PREMIUMS FOR LIVESTOCK INSURANCE

### 12. Application for insurance

- (1) An application for livestock insurance or livestock products insurance shall be accepted, and a livestock insurance agreement shall be entered into and signed by the Corporation and the insured, if:
- (a) the Corporation receives a signed application before the application deadline for each program;
  - (b) the required deposit accompanies the application;
  - (c) the Corporation receives a copy of the signed agreement;
  - (d) after the initial review, the application appears to meet all the regulations stated in the Agreement.

#### Application documents

- (2) An Inventory and Production Report shall form part of the application for livestock insurance or livestock products insurance.

#### Idem

- (3) A signed copy of the Agreement must be received by the Corporation no later than the deadline, as stated in the Schedules, in order for a valid contract of insurance to exist.

#### Deposit

- (4) An application for livestock insurance or livestock products insurance shall not be accepted unless the application is accompanied by a deposit of 15% to 50% of the estimated premium, based on the following criteria:
- (a) 15% if full premium and interest for the preceding crop year was paid by December 31 of that year;
  - (b) 25% if full premium and interest for the preceding crop year was paid during the subsequent month of January;
  - (c) 30% if full premium and interest for the preceding crop year was paid during the subsequent month of February;
  - (d) 35% if full premium and interest for the preceding crop year was paid during the subsequent month of March;
  - (e) 50% if full premium and interest for the preceding crop year was paid after the subsequent month of March;
  - (f) all premium and interest owing on insured crops from any previous year must be paid in full and a 50% deposit will be required before an application will be accepted for the new crop year.

#### Total premium

- (5) The total premium shall be calculated by applying Board approved premium rates to the insured value of each insurable crop, subject to adjustments, pursuant to sections 12, 13, 14 and 15 of these regulations.

**Insured's premium**

- (6) The insured's premium cost is calculated by applying the insured's share of total premiums to the total premium costs.

**Idem**

- (7) The insured's share of premiums may be adjusted by Provincial Government incentives, subject to the insured's eligibility, as established by the Corporation.

**Deposit**

- (8) The deposit, required with the application for livestock insurance or livestock products insurance, is calculated by applying the deposit requirement, as outlined in subsection (4), to the insured's share of total premiums, calculated at the time the application is prepared.

**Idem**

- (9) Failure to provide the required deposit by the application deadline shall result in cancellation of the Agreement.

**NSF**

- (10) NSF (Non Sufficient Funds) bank charges of \$40 shall be charged to the insured when NSF cheques are submitted as payment of the required deposit or premiums.

**Date premium balance due**

- (11) The remainder of the premium owing, after the deposit has been paid, is due and payable by the date stated in the Schedules for each insurable crop or insurance plan to which the Agreement applies.

**Interest on premium balance outstanding**

- (12) Interest, at a rate determined by the Board, shall be calculated and applied to the premium balance at the end of the month following the premium payment due date as stated in the Schedules, and interest charges shall be applied on the outstanding balance at the end of any subsequent month, until the premium balance and interest charges have been paid by the insured.

**Early payment discount**

- (13) The Corporation shall provide discounts for the early payment of premiums above the required deposit, and these discounts shall be applied as follows:
- (a) only the insured's share of premiums identified on the application form shall be eligible for the early payment discount;
  - (b) a discount rate shall be set by the Board for premium payments received before June 1st of the crop year and a separate discount rate shall be set by the Board for premium payments received within 30 days of June 1st of the crop year.

**Idem**

- (14) The discount shall only apply to that portion of the outstanding premiums, above the required deposit, that are received by the deadlines identified in subsection (13).

**Termination**

- (15) The insured has 30 days after the application deadline to reconsider the policy and if an insured chooses to terminate the policy, a written request must be received by the Corporation prior to the expiry of the 30-day period, and on receipt of the written request, the Agreement will be cancelled and any deposit paid by the insured shall be forfeited to the Corporation.



**Premiums**

- (16) Premiums or any other moneys due to the Corporation shall be deducted from any indemnity payment made after the due date for payment of the premiums. (EC196/09)

**13. Premium discount or surcharge**

- (1) The Corporation may apply a premium discount or a premium surcharge to an insured's total premium costs based on the insured's relative loss ratio (RLR) for insurable livestock or insurable livestock products.

**Relative loss ratio**

- (2) The relative loss ratio (RLR) used to establish the discount or surcharge is the ratio between an insured's loss ratio for livestock or livestock products and the loss ratio for the province as a whole for the same livestock or livestock products over the same period of time.

**Calculation**

- (3) The loss ratio discount or surcharge will be calculated as follows:
- (a) for insureds with a loss ratio based on fewer than five years of insurance history, the discount or surcharge percentage will be equal to
- $$(RLR - 1) \times N \times .1$$
- (where N = number of years insured);  
Discount and surcharges shall be capped at 10% per year, for the first five years;
- (b) for insureds with a loss ratio based on five or more years of insurance history, the discount or surcharge percentage will be equal to
- $$(RLR - 1) \times 5 \times .1.$$

**Idem**

- (4) In the calculations described in subsection (3), a result less than zero represents a discount from the base premium rate, and a result greater than zero represents a surcharge on the base premium rate.

**Maximum discounts or surcharge**

- (5) In no case may the discount or surcharge calculated under subsection (3) exceed
- (a) 10% of the base premium amount, in the case of an insured with a loss ratio based on one year of insurance history;
- (b) 20% of the base premium amount, in the case of an insured with a loss ratio based on two years of insurance history;
- (c) 30% of the base premium amount, in the case of an insured with a loss ratio based on three years of insurance history;
- (d) 40% of the base premium amount, in the case of an insured with a loss ratio based on four years of insurance history; or
- (e) 50% of the base premium amount, in the case of an insured with a loss ratio based on five or more years of insurance history. (EC196/09)

## PRODUCTION REPORTING

### 14. Production summary

- (1) The insured shall complete and file with the Corporation an Inventory and Production Summary
  - (a) by the application deadline;
  - (b) at any other time as stated in the Schedules;
  - (c) at any time required by the Corporation; and
  - (d) that states the total inventory and production of livestock or livestock products.

***Idem***

- (2) The Corporation has the right to check and verify inventory and production information submitted by the insured.

***Idem***

- (3) The Corporation or an agent of the Corporation shall provide to the insured and Corporation an Inventory and Production Summary by the final date for filing a Proof of Loss, as stated in the Schedules for each insurable crop or insurance plan.

***Idem***

- (4) The insured may meet the obligations of clause (1)(a) by signing the Inventory and Production Report prepared by the Corporation or an agent of the Corporation.

***Idem***

- (5) The insured's signature on the Inventory and Production Report prepared by the Corporation or an agent of the Corporation shall indicate acceptance
  - (a) of the inventory and production for each insurable crop, as stated therein; and
  - (b) of the inventory and production to be used by the Corporation to determine indemnity payments.

***Idem***

- (6) The Corporation reserves the right to adjust the inventory and production declared by the insured or an agent of the Corporation for insurable and non-insurable perils. (EC196/09)

### 15. Insured value

- (1) An insured value shall be calculated annually for each livestock or livestock product described in the Schedules and for which a separate contract of insurance is offered.

***Idem***

- (2) Deductibles selected by the insured shall be applied to the insured value for each insurable group of livestock or livestock products to determine the insured value for each insurable unit.

#### **Coverage levels**

- (3) Coverage levels greater than 70% may only be offered for new insurable livestock, livestock products or insurance plans if they receive approval from Agriculture and Agri-Food Canada and the Board prior to being offered.



**Idem**

- (4) Coverage levels up to 80% may be offered to those established insurable livestock, livestock products or insurance plans with fully loaded premium rates which are calculated to be greater than 9%.

**Idem**

- (5) Coverage levels up to 90% may be offered to those established insurable livestock, livestock products or insurance plans with fully loaded premium rates which are calculated to be less than 9%.

**Total Insured Value**

- (6) Insured value for livestock, livestock products or insurance plans shall be the product of the insured's inventory or production history, the coverage level selected by the insured, expressed as a percentage, and the unit price established for livestock, livestock products or insurance plans. (EC196/09)

## INVENTORY AND PRODUCTION REPORT

**16. Inventory and Production Report**

- (1) The insured shall complete and file with the Corporation an Inventory and Production Report and this report shall state the insured's declaration of inventory and livestock and any other information that the Corporation may require.

**Idem**

- (2) The Inventory and Production Report shall be submitted at the time the insured applies for insurance coverage and this report shall form part of the application for insurance.

**Idem**

- (3) An application for insurance shall not be accepted by the Corporation unless an Inventory and Production Report accompanies the application.

**Adjustments**

- (4) Where, after audits carried out by the Corporation or an agent of the Corporation, the livestock or livestock products listed on the Inventory and Production Report are less than or greater than those declared on the report, the Corporation shall adjust the insured value to reflect the verified inventory and production and a new statement of account will be issued to reflect the changes in insured value and premium charges.

**Verification**

- (5) The Corporation reserves the right to check or measure, by any means acceptable to the Corporation, any livestock inventory or livestock products which have been offered for insurance.

**Adjustment**

- (6) The Corporation reserves the right to adjust the final insured inventory or livestock products pursuant to subsection (5), and to adjust the insured value and premiums for this insurance coverage. (EC196/09)

## NOTICE OF LOSS

### 17. Notice of Loss

- (1) Where any loss or damage to an insurable crop results from one or more of the perils insured against and the damage was occasioned at a readily ascertainable time, the insured shall notify the Corporation, in writing, within five days of such time.

#### *Idem*

- (2) The notification referred to in subsection (1), may be filed with the Corporation on a Notice of Loss form provided by the Corporation or by any other means considered acceptable to the Corporation.

#### **Inspection**

- (3) Upon receipt of such Notice of Loss form, the Corporation shall respond to the insured with an inspection of the loss in order to verify the extent of the losses or damage and to evaluate the losses with respect to all insurable and non-insurable perils.

#### **Offsetting**

- (4) Payment of an indemnity for individual losses shall not be made until a Proof of Loss has been filed for all insurable crops and all offsetting adjustments have been applied.

#### **Inspection after notice**

- (5) Where loss or damage to an insurable crop results from one or more of the perils insured against and it appears to the insured that losses could trigger an indemnity payment, the insured shall notify the Corporation, to enable the Corporation to inspect the losses.

#### **No indemnity for loss after the deadline**

- (6) Where the insured has failed to notify the Corporation of any loss by the date for filing a Proof of Loss, whether the failure to notify is to the prejudice of the Corporation and whether the loss is apparent by that date, no indemnity shall be payable and no premium shall be refunded. (EC196/09)

## PROOF OF LOSS

### 18. Proof of Loss

- (1) A claim for an indemnity in respect of an insurable crop shall be made by an insured on a Proof of Loss form provided by the Corporation or by any other means considered acceptable to the Corporation, and, unless the Corporation gives written permission to delay filing, a Proof of Loss shall be filed with the Corporation by the final date for filing a Proof of Loss.

#### **Claim for indemnity**

- (2) Subject to subsection (3), a claim for indemnity shall be made by the insured.

#### *Idem*

- (3) A claim for indemnity may be made
- (a) in the case of the absence or inability of the insured, by the agent of the insured; or
  - (b) in the case of the absence or inability of the insured or the failure or refusal of the insured to do so, by an assignee under an assignment made in accordance with section 11. (EC196/09)



## INDEMNITY

### 19. Indemnity

- (1) The indemnity payable for loss or damage to livestock or livestock products shall be determined in the manner prescribed in these regulations or in the Schedules.

#### Appraisal

- (2) The Corporation may cause the production of livestock or livestock products to be appraised according to guidelines outlined in the Schedules or by any method that the Corporation considers proper.

#### Each contract determined separately

- (3) The loss with respect to insured livestock or livestock products and the amount of indemnity payable shall be determined separately for each contract of insurance.

#### Conditions

- (4) No indemnity shall be paid for a loss in respect of livestock or livestock products unless the insured establishes to the satisfaction of the Corporation that
  - (a) the losses occurred and were reported to the Corporation as outlined in sections 17 and 18;
  - (b) the loss resulted directly from one or more of the perils set out in subsection 7(1) or in the Schedules; and
  - (c) the insured discovered and reported the loss, as required under section 17. *(EC196/09)*

### 20. Evaluation of loss

- (1) For the purposes of determining losses during a crop year and the indemnity payable, the insured value of the livestock or livestock products shall progress through the steps described in sections 19, 20 and 21.

#### Mitigation

- (2) The insured shall use all reasonable procedures available to the insured in order to mitigate losses in all stages of production and marketing.

#### Limitation of liability

- (3) The Corporation may limit its liability, at any stage of production, if it determines that the loss has been established and that extending the management of the insured crop will only increase the losses.

#### Maximum liability

- (4) An Inventory and Production Report submitted by the insured to apply for insurance coverage and a Proof of Loss filed by the insured shall be used by the Corporation to establish the maximum liability and the indemnity payment.

#### Final indemnity

- (5) For all livestock insurance plans, a final indemnity occurs where the losses exceed the deductible portion of the insurance coverage and indemnity payments shall be calculated by multiplying the excess losses by the unit price.

**Indemnity**

- (6) No indemnity shall be payable for losses which do not exceed the deductible portion of the insurance contract or where the insured has not met the requirements for filing a Proof of Loss. (EC196/09)

**PAYMENT OF INDEMNITY****21. Time for payment**

- (1) Except as otherwise provided in the endorsement for an insurable crop, an offer of indemnity under an Agreement shall be made by the end of the crop year in which the loss or damage was sustained.

**Idem**

- (2) The Corporation may pay, in part or in full, an indemnity under an Agreement before the date on which it is due.

**Monies owed**

- (3) The Corporation reserves the right to deduct all monies owed to the Corporation from an indemnity payment before it is issued to the insured.

**Total payments**

- (4) Total indemnity payments shall never exceed 100% of the insured value. (EC196/09)

**MISREPRESENTATION****22. Misrepresentation**

- (1) Where, in respect of livestock or livestock products, the insured
- (a) wilfully makes a false statement or provides documents that wrongfully state the financial or operational independence of the insured;
  - (b) in the application for insurance or in other documentation provided to the Corporation, gives false particulars on the livestock or livestock products to be insured, to the prejudice of the Corporation or knowingly misrepresents or fails to disclose any fact required to be stated therein;
  - (c) contravenes a term or condition of the Agreement;
  - (d) commits a fraud; or
  - (e) wilfully makes a false statement in respect of a claim under the Agreement,

the policy shall be deemed to be terminated, all premiums shall be deemed to have been earned by the Corporation, any claim for indemnity by the insured shall be invalid, and the right to recover thereunder shall be forfeited.

**Claim for repayment**

- (2) Where the Corporation finds, at a later date, that an insured falsely stated or misrepresented the insured's position with respect to a contract of insurance or an indemnity payment, the Corporation shall file a claim for repayment of all indemnities deemed to be unearned. (EC196/09)





## WAIVER OR ALTERATION

### 23. Alterations

- (1) No term or condition of the Agreement or a rider shall be waived or altered in whole or in part by the Corporation, unless the waiver or alteration is clearly expressed in writing and signed by the Board or a representative authorized for that purpose by the Corporation.

#### *Idem*

- (2) The Corporation reserves the right to change the terms and conditions of the Agreement from year to year without obtaining the consent of the insured.

#### Notice

- (3) Notwithstanding subsection (2), the insured will be notified of any changes to the Agreement before the enrolment deadline for the crop year in which the changes are to be in effect, and those changes are deemed to be part of the policy for that crop year.

#### Adjustments

- (4) The Corporation reserves the right to make adjustments for insured and non-insured perils. (EC196/09)

## APPEAL OF A DECISION

### 24. Appeal

Where the Corporation and the insured fail to resolve any dispute respecting the adjustment of a loss under the Agreement, the insured may appeal the decision of the Corporation in accordance with the Act and these regulations. (EC196/09)

### 25. Notice of appeal

- (1) Where any person is aggrieved by a decision of the Corporation or its officers or agents in respect of a dispute arising out of the adjustment of losses, that person may, within 30 days after the final coverage date for a contract of insurance or within 30 days after the date of a written decision, whichever is later, appeal to the Board by serving a written notice of the appeal on the Board.

#### Hearing

- (2) Within 30 days of a written notice of appeal being served on the Board, the Board shall hear the appeal and make a decision.

#### Final order

- (3) A decision made by the Board under subsection (2) is deemed to be a final order or finding of the Board. (EC196/09)

### 26. Appeal to Appeal Board

- (1) Where any person is aggrieved by a final order or finding of the Board, that person may, within 30 days after the issuance of such final order or finding, appeal to the Appeal Board by serving a written notice of the appeal on the Appeal Board.

**Content of notice of appeal**

- (2) Every notice of appeal served under subsection (1) shall
- (a) contain a statement of the matter being appealed;
  - (b) indicate the date that the notice of appeal is sent as well as the signature of the person making the appeal;
  - (c) specify any error of fact in a final order or finding of the Board to which the appellant takes issue;
  - (d) specify any reason why the final order or finding of the Board is not appropriate;
  - (e) specify any other evidence that might affect the decision of the Appeal Board; and
  - (f) provide any other information the Appeal Board may require.

**Materials**

- (3) On receipt of a notice of appeal served under subsection (1), the Appeal Board shall
- (a) notify the Corporation and the Board that the notice of appeal has been received and the Board shall provide the Appeal Board and the person making the appeal with all relevant final orders, findings, regulations, documents and other material in its possession; and
  - (b) require the Corporation, on behalf of the Board, to submit to the Appeal Board and the appellant a report which shall be in writing, signed by the General Manager of the Corporation or the chairperson of the Board and delivered to the Appeal Board members.

**Report**

- (4) The report referred to in clause (3)(b) shall include
- (a) the text of the complaint;
  - (b) a summary statement of the findings of the Board indicating whether or not the Board has properly carried out its mandate under the Act and these regulations;
  - (c) a summary statement of the facts that establishes that the Board was carrying out its mandate properly;
  - (d) a statement of the position of the Board; and
  - (e) any other information the Appeal Board may require.

**Notice of hearing**

- (5) In any appeal under subsection (1), the Appeal Board shall, within seven days after the notice of appeal referred to in subsection (1) is received, serve notice upon the person making the appeal of the date, time and place at which the appeal will be heard.

**Decision within 30 days**

- (6) The Appeal Board shall hear and decide any appeal under subsection (1) within 30 days after the notice of appeal is received, but the Appeal Board may, at the request of the person making the appeal, adjourn the hearing from time to time for such period or periods of time as the Appeal Board considers necessary.

**Rights of appellant**

- (7) At any hearing of an appeal under this section, the person making the appeal has the right to attend and make representations and to give evidence respecting the appeal either by himself or herself or through legal counsel.



**Rights of Board**

- (8) At any hearing of an appeal under this section, the Board has the right to attend and make representations and to give evidence respecting the appeal either by its directors, the General Manager of the Corporation or through legal counsel.

**Decision binding**

- (9) The decision of the Appeal Board is final and binding on all parties and no appeal lies therefrom.

**Notice of decision**

- (10) The Appeal Board shall, within 10 days after the hearing is completed, serve notice of its decision and provide its decision to all parties involved in the appeal. *(EC196/09)*

**SUBROGATION****27. Subrogation**

- (1) Where the Corporation has paid a claim under the Agreement, the Corporation is subrogated to the extent thereof of all rights of recovery of the insured against any person, and may bring an action in the name of the insured for the full amount of the claim to enforce those rights.

**Third party payments**

- (2) Where the Corporation is liable to pay a claim under the Agreement but the insured has been compensated for the loss by another party, the Corporation, being subrogated to the rights of the insured, may take such third party compensation into account when determining the Corporation's liability for compensation to the insured. *(EC196/09)*

**RECORDS AND ACCESS****28. Right of entry**

- (1) The insured agrees that the Corporation has a right of entry to the premises of the insured, which right may be exercised by the Corporation or its agents at any reasonable time, and on reasonable grounds, to inspect or monitor livestock or livestock products or for any purpose related to the policy.

**Offence**

- (2) No person shall obstruct, hinder or knowingly make any false or misleading statements either orally or in writing to an officer or agent of the Corporation engaged in the performance of their duties or while lawfully carrying out the enforcement of the Act or these regulations.

**Assistance**

- (3) An insured shall give an officer or agent of the Corporation all reasonable assistance to enable the officer or agent to carry out the duties or functions described in the Act or these regulations and shall furnish all information reasonably required to administer the Act or these regulations.

**Termination**

- (4) When an insured refuses to provide assistance, fails to furnish required information or obstructs an officer or agent of the Corporation to the extent that final losses cannot be determined for an insured crop, the Corporation shall complete an Inventory and Production

Report and assign values equal to the insurance coverage for all affected crops and terminate the contract of insurance. (EC196/09)

## 29. Records

- (1) The Corporation may, at any time, require the insured to keep or cause to be kept such records as the Corporation may prescribe for any livestock or livestock products insured under the insurance plan.

### Access

- (2) The Corporation may, at any time, require the insured to produce or make available such records the Corporation considers pertinent to the policy, and any person designated by the Corporation shall have access to such records at any reasonable time for the purpose of determining matters related to the policy.

### Information

- (3) The insured shall, within 15 days of being requested to do so by the Corporation, provide the information to the Corporation requested in subsection (1) or (2).

### Idem

- (4) Information collected for the purpose of this program may be used by the Corporation to verify or cross-reference relevant information required for, or from, other programs that are administered and delivered by the Corporation. (EC196/09)

## SERVICE

## 30. Service

- (1) Any written notice to the Corporation shall be served by hand delivery to an agent of the Corporation or to the office of the Corporation in Charlottetown, or by sending it by mail to the address of the Corporation at P.O. Box 1600, 29 Indigo Crescent, Charlottetown, P.E.I., C1A 7N3.

### Idem

- (2) Any written notice to the insured shall be served by hand delivery to the insured, or by sending it by mail addressed to the insured at the last mailing address for the insured on file with the Corporation and service shall be deemed to have occurred three days after the date of mailing. (EC196/09)

