

## Part IX • Black Tobacco and Burley Tobacco Insuring Agreement

### A. General

This Part applies to black tobacco and burley tobacco as defined in this Part.

Agricorp agrees to pay the indemnities set out in this Part for loss of or damage to an insured crop caused by an insured peril, in accordance with the provisions of this Part and any Production Insurance Document applicable to the insured crop.

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

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

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

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

Except where provided otherwise, the insurance provided by this Part shall be in force for the crop year in respect of which it is made, and shall continue in force for each crop year thereafter until it is cancelled or terminated in accordance with the terms of the Contract.

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

### B. Definitions

In this Part:

“black tobacco” means air-cured or fire-cured black tobacco grown under contract to a processor unless

agreed to otherwise by Agricorp or provided otherwise in the Contract.

“burley tobacco” means air-cured burley tobacco grown under contract to a processor, unless agreed to otherwise

by Agricorp or provided otherwise in an applicable Contract.

“guaranteed production” means the lesser of:

- a. the average farm yield as determined by Agricorp multiplied by the selected coverage level, or
- b. the total tonnage specified in the contract between the Insured and the processor.

“regulator” means the Ontario Ministry of Finance.

### C. Insured Perils

The insured perils that apply to this Part are drought, excessive moisture, excessive rainfall, flood, frost, hail, wind, and insect infestation and plant disease provided good farm management practices are followed.

Except where otherwise provided, the insurance provided by this Part applies only during the period from seeding or planting until harvest. Loss or damage due to storage conditions, howsoever caused, is not insured.

Coverage commences on May 20 of the crop year, unless otherwise specified in the Contract.

Coverage ceases on September 12 of the crop year for air-cured black tobacco and on October 1 of crop year for fire-cured black tobacco and burley tobacco.

In the event a reported insured peril delays harvest beyond these dates, coverage may continue until the date specified by Agricorp.

### D. Final Acreage Reporting

The Insured shall report to Agricorp in each crop year the final acreage planted in the manner specified by Agricorp not later than June 30 of the crop year.

## **E. Registration Requirements**

It is a requirement of a Contract under this Part that the Applicant or Insured hold a valid registration certificate to produce tobacco issued by the Regulator.

On or before July 15 in each crop year, an Applicant or Insured shall provide Agricorp with the registration certificate number issued to the Applicant or Insured by the Regulator for that crop year, in a manner approved by Agricorp, and such other information as Agricorp may require to verify with the Regulator that the Applicant or Insured is and continues to be the holder of a valid registration certificate to produce tobacco issued by the Regulator.

If,

- (a) an Applicant or Insured fails to provide the registration certificate number or other information required by Agricorp on or before July 15 in a crop year;
- (b) for any reason, Agricorp is unable to verify with the Regulator that an Applicant or Insured is or continues to be the holder of a valid registration certificate for a crop year; or
- (c) the registration certificate of an Applicant or Insured for a crop year is suspended or revoked by the Regulator,

Agricorp may refuse to pay any indemnity under this Part for loss or damages incurred in the crop year and may require repayment of all or part of any indemnity already paid to the Insured under this Part for the crop year. If Agricorp demands repayment of all or part of an indemnity under this clause, the Insured shall repay the amount required by Agricorp in the time and manner specified by Agricorp, and the amount demanded shall constitute an overpayment and debt due Agricorp for the purposes of the Contract.

The right to refuse to pay or claim repayment of an indemnity is in addition to any other rights Agricorp has under the Contract, including, but not limited to, the right to cancel or refuse to enter into a Contract.

## **F. Production Shortfall Indemnity**

Agricorp will pay a production shortfall indemnity where, as a result of an insured peril, harvested production is less than the guaranteed production. The amount of indemnity payable will be determined in accordance with the provisions of the Contract including, but not limited to, all limitations on insurable acreage or insurable crops, deductibles, and any other

restriction on the amount payable, and on the basis of the applicable coverage level.

## **G. Replanting Benefit**

Where it is necessary to replant an insured crop because of damage to an insured crop occurring before the applicable replanting deadline and caused by an insured peril, Agricorp shall pay replanting benefits in respect of any insured crop to which this benefit applies in accordance with the provisions of the Contract.

The replanting must be completed by June 20 or such other date as specified by Agricorp.

Replanting benefits are paid whether the acreage is replanted to the same crop or to any other crop. If it is replanted to the same crop, insurance will continue on the total number of acres planted to that crop. If it is replanted to a different insurable crop it will be insured as well, provided that the Application for insurance on that crop was made by the applicable deadline, or an Application was made for the Unseeded Acreage Benefit.

The replanting benefit is paid based on the crop that was originally planted. The total number of acres for which a replanting benefit is paid in a crop year shall not exceed the total number of insured acres originally planted for that crop.

The minimum acreage eligible under this Part for a reseeding or replanting benefit is one-half contiguous acre.

Permission to replant to black tobacco or burley tobacco, or to replant to a different crop, or to not replant must be provided by Agricorp and by the processor, or its representative, prior to taking any of the aforementioned actions for this benefit to apply.

The replanting must be completed by the dates specified in the Contract.

The maximum replanting benefit is set out in the Contract.

A replanting benefit is payable if damage from an insured peril occurs prior to June 20 of the crop year.

## **H. Crop to Be Destroyed**

The Insured must notify Agricorp of any black tobacco or burley tobacco to be destroyed at least three days before the intended destruction.

Where an insured peril has caused sufficient damage as determined by Agricorp that an insured crop is not

salvageable, the Insured must receive written permission from Agricorp before destroying the affected acreage and crop. The acreage to be destroyed shall be determined by Agricorp. Failure to notify Agricorp prior to the crop being destroyed shall result in the claim being denied.

#### **I. Current Crop or Carryover in Storage**

Loss or damage to the current crop or previous year's carryover, howsoever caused, must be reported to Agricorp. The Insured must receive written permission from Agricorp prior to destroying any black tobacco or burley tobacco in storage, whether carryover from previous years or from the current crop. Failure to notify Agricorp prior to destruction of black tobacco or burley tobacco shall result in a claim being denied.

#### **J. Disclosure of Information**

Any information supplied to Agricorp on the Production Insurance Program forms or pursuant to the Contract may be disclosed to the Regulator and any government agencies for the purpose of complying with federal and provincial regulations for enforcing laws applicable to tobacco.

The Contract of Insurance Terms and Conditions are available by calling 1-888-247-4999 or by visiting [www.agricorp.com](http://www.agricorp.com).  
(Version française disponible)