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## **COVERAGE SUMMARY APPLE TREES – PLAN A**

The apple tree plan provides insurance for apple trees damaged by insured perils to the extent that it is necessary to remove the apple tree. Producers do not have to purchase apple fruit crop coverage to be eligible for tree coverage under Plan A.

### **Insurable crops:**

**Group 1:** Dwarf and semi-dwarf apple trees (planting density of 451 + trees per acre)

**Group 2:** Standard apple trees (planting density of 450 or less trees per acre)

**Group 3:** Apple trees in establishment (i.e. dwarf and semi-dwarf apple trees between 1 and 5 years of age) and planted in homogeneous blocks.

N.B: Producers may choose to insure only one of these groups, or a combination of these groups.

### **Insured perils:**

Drought, wind, winter injury, disease\*, insect infestation\*, excessive heat, and excessive moisture.

\*provided good farm management practices are followed.

### **Losses due to uninsured perils:**

Losses due to uninsured perils, such as improper use of pesticides, shortage of labour or machinery, negligence or poor management practices are not covered by AgrilInsurance.

### **Apple tree coverage:**

#### **Covers apple tree mortality:**

Group 1 and 2: 98% (2 % deductible) with abandonment of the insurable value

Group 3: 97% (3% deductible) with abandonment of the insurable value

Unit price: (\$/tree)

Insurable value = Number of insurable apple trees x Unit price

Start of coverage = December 20, 2023

End of coverage = December 19, 2024

The number of trees that are eligible for a payment must have met or exceeded the deductible. For coverage purposes, a tree is dead when no opportunity exists to re-establish the tree as a viable production unit. Removal of trees prior to approval by the NBAIC will result in no claim paid.

Coverage under this plan is based on the following table of insurable values per tree, considering tree age, type, and planting density:

Density Category	A	B	C	D
Density Range	0-100	101-450	451-900	901+
Tree age in years after planting				
1	\$15.00	\$15.00	\$15.00	\$15.00
2	\$15.00	\$15.00	\$15.00	\$15.00
3	\$15.00	\$15.00	\$15.00	\$15.00
4	\$15.00	\$15.00	\$15.00	\$15.00
5	\$18.00	\$18.00	\$15.00	\$15.00
6+	\$25.00	\$25.00	\$15.00	\$15.00
Maximum insurable age	50 years	40 years	30 years	30 years

Tree age: means the year following the year the trees were planted.

### Enrolment

Enrolment deadline for apple tree coverage is Dec 20, 2023

Minimum insurable: for each group of insurable apple trees, 250 trees planted before June 15, 2022.

### Eligibility

The NBAIC shall determine the eligible number of trees for coverage under this plan, in general, trees that have been planted before June 15 in a crop year and have successfully wintered and have their total terminal growth exceed 46 cm in year two are eligible for tree insurance under this plan. The NBAIC must be notified by September 15 prior to the crop year. It is the grower's responsibility to provide **accurate and up to date** tree count by block, variety, tree age and a map of the farm (detailing each parcel or unique block and variety).

### Notice of Loss

The participant must notify the NBAIC within five days of discovering crop damage from one or more of the insured perils.

### Payment of an indemnity

Indemnity will be paid for damaged trees, (due to insurable perils) less the deductible equal to 2% for Group 1 and Group 2, and/ or 3% for Group 3 by the number of trees.

Approved indemnities will be paid at the insured value for damaged trees beyond the applicable deductible and after the trees have been removed.

### Example of payment

You have an apple orchard with 1000 high density dwarf trees aged 6 years and older, and a 2 % deductible. You lose 200 trees to freeze injury.

<b>Step 1</b> calculate your premium	<p>Your premium equals (Premium rate* times the number of trees times the unit price*)</p> <p>0.28% X 1000 X \$15.00 =\$42.00</p>
<b>Step 2</b> Calculate your deductible	<p>Deductible equals (the number of trees times the deductible rate for Group 1)</p> <p>=1000 X 2%</p> <p>= 20 trees</p>
<b>Step 3</b> Calculate your tree loss claim	<p>Claim equals the number of trees lost less tree deductible times claim price</p> <p>= (200-20) X \$15</p> <p>= 180 X \$15</p> <p>=\$2,700</p>
<p>*Rate assumptions used in this example: Premium rate for tree categories insured separately: 0.28%; claim price for trees: \$15.00 and deductible rate of 2%</p>	

Government participation: administrative costs are fully assumed by the governments. The Government of Canada pays 60% of the costs and the Government of New Brunswick pays 40% of the costs. The financing of the premiums is assumed by governments (60%) and the participant (40%) of the benefit options.

***Producers who have purchased coverage under the Apple Fruit Crop Insurance Plan (Plan B) may be eligible for tree insurance coverage, at a three percent deductible level, at no additional cost.***

This coverage summary in no way takes precedent over the provisions of the Agricultural Insurance Program, Policies, Plans, of the regulation in effect and of the agreements with the Government of Canada.