

18 Farm Insurance

Resource Kit for Nova Scotia Farmers

Many insurance brokers in Nova Scotia offer farm insurance packages. These packages will cover standard home and property and liability insurance, with further options of interest to farmers, e.g. livestock, farm produce, and pollution insurance, as well as “loss-of-use” insurance that covers the cost of renting farm equipment if your own is broken or damaged.

There are several insurance companies in Nova Scotia that offer farm insurance packages. You should speak with a number of vendors before purchasing insurance to compare coverage and rates.

Farm insurance coverage varies from package to package and there are a number of things you should be aware of when deciding on coverage. For example, are your farm buildings insured for their replacement cost or their reproduction cost? The reproduction cost is the cost of building an identical asset in the same location. The replacement cost is the cost of replacing the asset with one of similar functionality.

Additionally, carefully check over exactly what perils you are covered for. For example, you may be covered for fire damage but not smoke damage. You may think you are covered for “hurricane” damage but in fact the policy might only cover wind damage and not water damage.

Besides the replacement costs, there are other costs associated with the loss of buildings and equipment that you may want to insure yourself against, such as loss of income, business interruption, and clean up/environmental clean up costs.

Talk to your insurance broker to ensure that your policy has adequate liability coverage if you have many visitors to your farm (e.g. for an agri-tourism enterprise or U-Pick) or if you sell your farm products directly to consumers, whether in fresh or processed forms. If you sell processed products, you may also want to consider product recall insurance.

Life Insurance

If your farm enterprise carries debt, the loan holder will require you to take out a life insurance policy. You should ensure that the policy covers funeral costs and debt, and also maintains an income stream for surviving family members in case the farm cannot generate the same level of income if one key member dies. You may also want this policy to include accident and disability insurance.

Farm Vehicle Insurance

All motorized farm vehicles must be insured, including tractors, combines, skid-steers and self-propelled sprayers. In addition, ensure that farm implements that may be towed by tractors on the road are included in the tractor insurance policy. If they are not, you should purchase separate insurance for these implements if they will travel on highways.

Workers Compensation

Farmers can enroll themselves and their workers in the Nova Scotia Workers' Compensation Program on a voluntary basis. It is mandatory to enroll foreign workers brought to Canada under the Seasonal Agricultural Workers Program (SAWP). Enrollment is also mandatory for farms with three or more employees that also process or retail their farm products. The Workers' Compensation premium is paid entirely by the employer. Rates for farm workers range from \$0.55 - \$4.33 per \$100 of payroll.

Contact the Nova Scotia Workers' Compensation Board directly for more information on whether your farm enterprise is required to enroll in the program, what your rate will be, the benefits of the program for employers and employees, and how to set up your account and remit premiums: www.wcb.ns.ca or call toll-free: 1-877-211-9267.

The Workers' Compensation Program pays workers while they recover from work-related injuries and also pays benefits in cases of permanent disability or death. By enrolling in the Workers' Compensation Program, farmers can protect themselves from being sued if workplace accidents occur. At the same time, the Workers' Compensation Board will work with farmers to create safer workplaces.

Many life insurance policies pay similar benefits in cases of permanent disability or death but will not pay for lost time working while recovering

from injuries. Therefore, farmers may still be interested in enrolling themselves in the Workers' Compensation Program, even if they hold a life insurance policy that pays disability benefits.

Health Insurance

Members of the Nova Scotia Federation of Agriculture can purchase Agri-Life health and life insurance. The health insurance package covers 70-80% of the cost of prescription medications, as well as costs associated with eyewear and dental work. For more information, contact the Federation:

www.nsfa-fane.ca

AgriInsurance

AgriInsurance in Nova Scotia is also known as production insurance and crop insurance. It is a government program administered by the Nova Scotia Crop and Livestock Insurance Commission. This program provides agricultural producers with insurance-based programs that protect against production losses caused by specified natural perils (e.g. weather, wildlife, pests, and disease). Most insurance plans are based on individual producers' historic yields. However, several non-yield based plans are also available.

AgriInsurance offers coverage for a wide range of major crop commodities in Nova Scotia as well as dairy and poultry livestock insurance plans. A separate wildlife compensation program provides payments to producers who experience losses to specific crops or livestock caused by wildlife.

AgriInsurance premiums are cost-shared between producers and the federal and provincial governments. Administration of the program is cost-shared by the federal and provincial governments. All costs associated with wildlife compensation payments are cost-shared by the federal and provincial government.

For more information on AgriInsurance, contact the Nova Scotia Crop and Livestock Commission: <http://www.gov.ns.ca/agri/ci/> ; 902-893-6370

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