

# Saskatchewan Crop Insurance Corporation

## Annual Report for 2019-20



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# Letters of Transmittal



*The Honourable David Marit  
Minister of Agriculture*

June 29, 2020

His Honour, the Honourable Russell Mirasty, Lieutenant Governor of Saskatchewan

May it please your Honour:

The Saskatchewan Crop Insurance Corporation continues to work in partnership with industry and with the Ministry of Agriculture to provide producers with trusted and relevant agricultural business risk management programs.

I respectfully submit the Annual Report for the Saskatchewan Crop Insurance Corporation for the fiscal year ending March 31, 2020.

Respectfully submitted,

A handwritten signature in black ink that reads "David Marit".

David Marit  
Minister of Agriculture



*Rick Burton  
Deputy Minister of Agriculture*

June 29, 2020

The Honourable David Marit, Minister of Agriculture

Sir:

I have the honour of submitting the Annual Report of the Saskatchewan Crop Insurance Corporation for the fiscal year ending March 31, 2020.

This report outlines the actions undertaken and results achieved in the delivery of the Crop Insurance, AgriStability, Wildlife Damage Compensation and the Western Livestock Price Insurance programs as part of a business risk management suite to support Saskatchewan farmers and ranchers.

Respectfully submitted,

A handwritten signature in black ink that reads "Rick Burton".

Rick Burton  
Chair of the Board  
Saskatchewan Crop Insurance Corporation

# Role within the Saskatchewan Ministry of Agriculture

The Saskatchewan Crop Insurance Corporation (SCIC) is a provincial Treasury Board Crown Corporation under the portfolio of the Minister of Agriculture.

The Saskatchewan Crop Insurance Corporation has developed strategies that correspond to the goals and direction of the Government of Saskatchewan which aligns with the government goals of economic growth, accountability, and support for Saskatchewan families.

The *Canadian Agricultural Partnership (CAP)* federal-provincial agreement provided the structure and guiding principles for the programs SCIC delivers. CAP features a business risk management suite consisting of five key components:

**Crop Insurance (AgrilInsurance):** provides insurance against production losses for specified perils;

**AgriStability:** a margin-based program that provides income support when a producer experiences larger income losses;

**AgriInvest:** a savings account program for producers that provides flexible coverage for small income declines and supports investments to mitigate risks or improve market income;

**AgriRecovery:** provides a process to allow governments to respond to disasters by assisting impacted producers with the extraordinary costs of activities undertaken to mitigate the impacts of the event and/or resume production; and

**AgriRisk:** supports the facilitation of research, development, and capacity building of risk management tools.

## Governing Authorities

As joint federal-provincial programs, Crop Insurance and AgriStability are subject to the following acts, regulations and agreements: *Canadian Agricultural Partnership, Farm Income Protection Act (federal), Canada Production Insurance Regulations (federal), The Saskatchewan Crop Insurance Corporation Act, The Saskatchewan Crop Insurance Corporation Regulations, The Western Livestock Price Insurance Program Regulations (provincial), Federal/Provincial AgrilInsurance Agreement, Operational document related to the Federal/Provincial AgrilInsurance Agreement, Income Tax Act (federal), Financial Administration Act (federal), AgriStability Program Guidelines (federal)* and *Canada-Saskatchewan Bilateral Agreement Implementing the Western Livestock Price Insurance Program*.

The Wildlife Damage Compensation Program is governed under the provincial *Farm Financial Stability Act* and *Wildlife Damage and Livestock Predation Regulations*.

The Saskatchewan Crop Insurance Corporation has complied with the provisions of these authorities.

## Board of Directors

Under the Saskatchewan Crop Insurance Corporation Act, the Board of Directors is responsible for the overall direction and development of the Crop Insurance and AgriStability programs and is authorized to conduct the affairs of the Corporation.

As of March 31, 2020, the Board members were Rick Burton, Chair and Deputy Minister of the Saskatchewan Ministry of Agriculture; Paul Johnson, Vice Chair and Assistant Deputy Minister, Policy, of the Saskatchewan Ministry of Agriculture; Margaret Hansen; Derek Smart; and Trent Crozier. All members are either involved in farm operations or have an agricultural background.

## Appeals

The Saskatchewan Crop Insurance Corporation's Provincial Appeal Panel was established to provide fair and efficient resolution to issues where a dispute between a customer and the Corporation exists regarding the Crop Insurance, AgriStability, Western Livestock Price Insurance, or Wildlife Damage Compensation programs. The Appeal Panel is comprised of producers appointed by the Board of Directors to consider and make decisions on customer concerns.

## Provincial Appeal Panel

As of March 31, 2020, there are seven panel members on the Provincial Appeal Panel. The Chair is Jody Lysyk from Meath Park and Sherri Grant from Val Marie is the Vice Chair. The remaining Panel members are Rod Edgar from Wolseley, John Ryckman from Gainsborough, Wes Black from Porcupine Plain, Jodie Hetherington from Moose Jaw and Sandra Clark from Assiniboia.

From April 1, 2019, to March 31, 2020, there were 30 Crop Insurance and five AgriStability appeals registered. The Board of Directors granted six and denied 17 appeals. There were seven appeals withdrawn or settled by SCIC prior to their hearing dates.

# 2019 -2020 Year in Review

The Saskatchewan Crop Insurance Corporation (SCIC) plays a vital role in the delivery of business risk management programs to Saskatchewan farmers and ranchers on behalf of the Saskatchewan Ministry of Agriculture.

## **Crop Insurance**

The average coverage in 2019-20 was \$230 per acre, the highest in program history. Premiums were relatively steady, with the premium per acre only slightly increasing to an average of \$8.61 per acre, up from \$8.41 in 2018.

Following consultations with producers and industry organizations, SCIC introduced a number of enhancements for the 2019 Crop Insurance Program. Insured values for pasture within the Forage Rainfall Insurance Program (FRIP) have increased significantly; the Corn Rainfall Program (CRP) was introduced to cover lack of moisture in corn acres; 55 new weather stations were added throughout the province; and the fall seeding deadline was moved from September 15 to September 30.

Producers faced a variety of challenges throughout the 2019 growing season. A dry, cool spring delayed most crops and created challenges for the summer growing season. Wet fall conditions with early snowfall delayed and in some cases halted harvest. With approximately 1.3 million insured acres left out over winter, compensation for producers is estimated to reach \$260 million in claims. Overall SCIC insured 31 million acres in 2019. SCIC's liability was \$6.6 billion compared to \$5.9 billion in 2018-19.

## **AgriStability**

AgriStability provides support to producers who experience large income losses, helping to backstop the agriculture industry and supporting the government's Growth Plan which includes a focus on growing Saskatchewan's agricultural economy.

In 2019-20, producers had an extra two months to enrol in the 2019 Program as the April 30 enrolment deadline was extended to July 2 due to extreme dry weather and uncertainty in the export markets. Through these challenges and other factors impacting producers, AgriStability continues to support the agriculture sector each year. As of March 31, 2020, the 2018 program year has paid \$118 million in AgriStability benefits to Saskatchewan producers to offset production losses due to dry conditions as well as market declines in durum, lentils and cattle.

The 2018 year was also the first year files were completed under the Canadian Agricultural Partnership agreement. With the agreement, the AgriStability calculation changed to address concerns about the Reference Margin Limit which impacted benefit calculations. Benefits of over \$12 million were paid to Saskatchewan AgriStability participants as a result of this new method.

## **The Western Livestock Price Insurance Program**

WLPPI enables livestock producers to protect against unexpected price declines, by allowing them to purchase price insurance protection for their cattle and hogs while still taking advantage of favourable market conditions, if livestock prices should rise.

As of March 31, 2020, a total of 3,330 producers had enrolled to participate in WLPPI. Over the past year, 17 per cent or approximately 136,000 calves were insured; five per cent or approximately 37,500 feeder cattle were insured; and 13 per cent or approximately 13,200 fed cattle in the province were insured. No hogs were insured in Saskatchewan. Approximately \$3.1 million was paid to cattle producers through 2019-20 with the majority being paid on the calf program.

## **Wildlife Damage Compensation Program**

The Wildlife Damage Compensation Program consists of three components: crop damage compensation; predation compensation; and prevention. While SCIC administers this Program, financial reporting is included in the financial statements of the Agricultural Stabilization Fund under the Saskatchewan Ministry of Agriculture.

Many producers were unable to complete harvest in 2019 due to early snowfall. Crops left out over winter were prone to wildlife damage; an increase in claims is expected.

As of March 31, 2020, there were 1,048 waterfowl claims resulting in \$7.5 million in compensation paid. Big Game claims totaled 2,106 with \$12.5 million in compensation paid. There were 2,093 predation claims and \$2.26 million in compensation paid. Prevention expenditures were \$448,747.

# Progress in 2019-2020

SCIC continues to improve programs and services in an effort to meet the changing needs of Saskatchewan's farmers and ranchers.

## SCIC Vision

To be the most trusted and relevant agriculture risk management partner in Canada.

## SCIC Mission Statement

We provide an exceptional customer experience to farmers and ranchers through diverse programs and superior service.

## SCIC Values:

- ⇒ Focus on the Producer
- ⇒ Innovative Thinking
- ⇒ Accountability to Ourselves and Others
- ⇒ Leadership at All Levels
- ⇒ Teamwork and Community

## Government Goals



Strategic Priority - Focus on the Producer

## Goal - Provide exceptional customer service

### Strategy - Improve the customer's experience

#### Key Actions

- ⇒ Adapt SCIC's customer service model.
- ⇒ Implement and adapt the branding and marketing strategy to promote programs and services.
- ⇒ Conduct ongoing market research.
- ⇒ Define and implement a relevant digital transformation strategy for customers.

## Performance Measures

	Targets			
	2019/20	2020/21	2021/22	2022/23
In 2019-2020, Customer Service Index	90%	90%	90%	90%
A 9 or 10 out of 10 is achieved 64% of the time.				
Crop Insurance claim turnaround time (claim registered to authorized)	30 days	30 days	30 days	30 days
The average time between a post-harvest claim being registered at a customer service office to the time the inspection was completed, and an indemnity paid was 43 days. This compares to 37 days in 2018-19.				
AgriStability file turnaround time (percentage of files completed in 75 days)	75%	75%	75%	75%
AgriStability processing time was 56 per cent of files completed in 75 days. This compares to 67 per cent in the previous year.				
CropConnect statistics (percentage of total Crop Insurance contracts)	25%	30%	35%	40%
For the period ending March 31, 2020, there were 5,120 customers enrolled in CropConnect, which represents 27.7 per cent of active Crop Insurance customers. This compares to 4,885 customers period ending March 31, 2019.				
AgConnect statistics (percentage of AgriStability applications)	65%	70%	75%	75%
For the 2018 program year, 64 per cent of applications were submitted through AgConnect. This is consistent with the percentage of files submitted in the 2017 program year.				

## Goal - Effective business risk management programming that meets the needs of producers and industry

### Strategy - Work in partnership with Saskatchewan farmers, ranchers, industry and stakeholders to optimize programs and services

#### Key Actions and Results

- ⇒ Review and optimize programs to ensure they are relevant to farmers and ranchers.
- ⇒ Provide leadership for WLPIP strategy implementation to improve program success.
- ⇒ Participate in the Business Risk Management Programs review and ensure Saskatchewan's interests are represented.
- ⇒ Develop and implement a consultation strategy.

#### Performance Measures

	Targets			
	2019/20	2020/21	2021/22	2022/23
Acres insured in the Crop Insurance Program, measured by the percentage of insured acres compared to seeded acres for annual crops and long-term trends	75%	75%	75%	75%
In 2019 the percentage of annual crops insured under the Saskatchewan Crop Insurance Program was 76.4 per cent. This compares to 76.1 per cent in 2018.				
The total amount of Farm Cash Receipts* from AgriStability participants, compared to the total provincial Farm Cash Receipts.	60%	60%	65%	65%
The 2018 Farm Cash Receipts represented by participants in the 2018 program year was 51 per cent. This is down slightly from the 2017 percentage of 52 per cent.				
Per cent of calves insured through the Western Livestock Price Insurance Program	25%	25%	25%	25%
In 2019, 17 per cent of the marketable calves were insured through the Western Livestock Price Insurance Program. This compares to 15 per cent in 2018.				

\*Farm cash receipts represent the cash income received from the sale of agricultural commodities, as well as direct program payments made to support or subsidize the agricultural sector.



## Goal - Provide effective and efficient program and resource management

### Strategy - Develop and maintain sustainable business risk management programming

#### Key Actions and Results

- ⇒ Evaluate reinsurance options and other mechanisms for long-term premium rate stability.
- ⇒ Optimize programs to align with a changing regulatory framework.

#### Performance Measures

	Targets			
	2019/20	2020/21	2021/22	2022/23
Long-term sustainable loss ratio (indemnity to premium)	1	1	1	1
<b>Response:</b> The average long-term loss ratio for the 20-year period 1999 to 2019 was 0.735.				

### Strategy - Improve corporate risk management capability, efficiency and effectiveness of internal operations

#### Key Actions and Results

- ⇒ Adopt industry best practices for continuous improvement, innovation, project management and change management.
- ⇒ Provide a secure, reliable, and scalable Information Technology infrastructure.
- ⇒ Modernize technology capabilities and services through sustainable innovation and collaboration with Information Technology partners.
- ⇒ Develop a compliance risk strategy.
- ⇒ Implement the Enterprise Risk Management Plan.
- ⇒ Implement the Business Continuity Plan.

	Targets			
	2019/20	2020/21	2021/22	2022/23
Crop insurance administration cost per acre**	\$1.02/acre	\$1.01/acre	\$1.00/acre	\$0.98/acre
The administration cost per acre for the 2019 crop year was \$0.97. This compares to \$0.95 for the 2018 crop year.				
AgriStability administration cost per file***	\$855	\$829	\$804	\$780
The AgriStability administration cost per file for 2018-19 was \$1,347 this compares to a cost per file of \$1,279 in 2017-18.				

\*\*This measure includes seeded acres of all crops, forage and any acres reported as unseeded. Previously unseeded acres were not included in the calculation. However, administering this feature of the program does cost money; therefore, the change is being made to be a more accurate and reflective measure of administering the Crop Insurance Program.

\*\*\* This measurement includes all program files worked on during the fiscal period. Previously the calculation only included files that were completed and issued a Calculation of Benefits Statement. During processing, there are a number of files that are worked on and closed without being eligible to receive a final statement. This revised calculation is a more accurate and reflective measure of the processing costs of all files during the administration of the AgriStability program.

# 2019-2020 Financial Overview

The 2019-20 financial statements begin on page 10 of this report and the following provides an explanation of the variances between the budget and actual results

	(in thousands of \$)				Notes	Variance to Budget (%)
	2018-19 Actual	2019-20 Budget	2019-20 Actual	2019-20 Variance		
<b>Crop Insurance (AgriInsurance)</b>						
Premiums	\$ 612,321	\$ 618,000	\$ 576,222	\$ (41,778)	1	-7%
Reinsurance premiums expense	(25,653)	(25,000)	(22,307)	2,693	2	-11%
Indemnities	(264,870)	(483,463)	(259,923)	223,540	3	-46%
Other	28,197	39,250	36,422	(2,828)		-7%
Income from insurance operations	\$ 349,995	\$ 148,787	\$ 330,414	\$ 181,627		
<b>AgriStability</b>						
Fees and other income	\$ 14,395	\$ 9,700	\$ 13,480	\$ 3,780	4	39%
Contribution from the Government of Saskatchewan - Ministry of Agriculture	44,855	35,751	32,377	(3,374)		-9%
Contribution from the Government of Canada	67,283	47,807	48,566	759		2%
Indemnities and other	(126,533)	(93,258)	(94,423)	(1,165)		1%
Income from AgriStability Program	\$ -	\$ -	\$ -	\$ -		
<b>Western Livestock Price Insurance (WLPIP)</b>						
Premiums and other income	\$ 3,805	\$ 3,900	\$ 4,083	\$ 183		5%
Reinsurance recovery	9		2,875	2,875	5	100%
Indemnities	(243)	(2,600)	(5,330)	(2,730)	6	105%
Reinsurance expense	\$ (2,028)	\$ (1,300)	\$ (2,369)	\$ (1,069)	7	82%
Income (loss) from WLPIP	1,543	-	(741)	(741)		
<b>Program Delivery - administration expenses net of other administration revenue</b>						
Crop Insurance	\$ 28,071	\$ 28,575	\$ 29,632	\$ 1,057		4%
AgriStability	\$ 16,905	\$ 18,294	\$ 17,795	\$ (499)		-3%
Western Livestock Price Insurance Program	\$ 786	\$ 1,127	\$ 803	\$ (324)	8	-29%

\* Variance analysis is based on a threshold is >10% or >\$14.28Million which is consistent with audit materiality.

## Notes:

1. The premiums were lower than budget due to a higher experience discount for producers; a shift in crop mix to crops with lower premium costs; and a reduction in premiums for unseeded acreage due to lower coverage selected by producers. The budgeted and actual insured acres were both approximately 31M acres.
2. Reinsurance premiums were lower than budget due to a higher than anticipated rebate from SCIC's reinsurance broker.
3. Although harvest conditions during the year were poor and 1.3M acres remained unharvested, indemnities were \$223M lower than budget. The harvest started out with good yields and quality; therefore, many producers were not in a claim position when the weather conditions started to deteriorate.
4. The actual AgriStability enrolment fees and other income earned were higher than budgeted as the number of enrolments increased.
5. The WLPIP reinsurance recovery is a result of the quota share reinsurance. As indemnities are paid out for this program, there is a portion returned to the program administrator.
6. WLPIP Indemnities are higher than budget as the indemnities paid represents payments from the prior year's program in the amount of \$2.2M and the current year's indemnities were \$3.1M.
7. The WLPIP reinsurance expense is higher as it is based on the premiums sold. The budget is also a 'net amount after recoveries'.
8. The Western Livestock Price Insurance Program costs were lower than budget due to reduced salaries as the hours worked were lower than anticipated and lower operating costs for the program.

# Management's Report

## Responsibility for Financial Statements

The financial statements of the Saskatchewan Crop Insurance Corporation are the responsibility of management and are prepared in accordance with Canadian public sector accounting standards applied on the basis consistent with that of the preceding year. Management has applied its best judgment where estimates are required using all information available to March 31, 2020. Other financial information in the annual report is consistent with that provided in these financial statements.

The Saskatchewan Crop Insurance Corporation's accounting system and systems of internal control are maintained to provide reasonable assurance that transactions are properly authorized and recorded, that assets are properly safeguarded and that the financial information is relevant and reliable.

The Saskatchewan Crop Insurance Corporation's external auditor, KPMG LLP, has audited these financial statements and conducted a review of internal accounting policies and procedures to the extent required to enable them to express an opinion on these financial statements.

The Board of Directors of the Saskatchewan Crop Insurance Corporation is responsible for overseeing management's performance of its financial responsibilities and has reviewed and approved these financial statements.



Shawn Jaques  
President and Chief Executive Officer



Brad Schultz  
Vice President, Finance

May 20, 2020

# Independent Auditors' Report

To the Members of the Legislative Assembly Province of Saskatchewan

## **Opinion**

We have audited the financial statements of Saskatchewan Crop Insurance Corporation ("the Entity") which comprise:

- the statement of financial position as at March 31, 2020
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies, and the schedules of program operations and accumulated surplus and program administration expenditures

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2020, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## **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 "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' report.

We are independent of the Entity in accordance with the 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 Canadian public sector accounting standards, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

## **Auditors' 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 auditors' 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 the 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.
- 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.

**KPMG LLP**

Chartered Professional Accountants

Regina, Canada  
May 20, 2020

# Saskatchewan Crop Insurance Corporation

## Statement of Financial Position

As at March 31, 2020, with comparative figures for 2019

(in thousands)

	2020	2019
<b>Financial Assets</b>		
Cash (Note 2)	\$ 15,523	\$ 19,868
Investments (Note 3)	10,000	9,000
Due from the Government of Saskatchewan General Revenue Fund (Note 4)	2,278,193	1,955,900
Accrued interest and other receivables	12,499	9,911
Due from producers (Note 10)	18,651	14,800
Due from the Government of Saskatchewan - Ministry of Agriculture (Note 5)	56,894	75,124
Due from the Government of Canada (Note 6)	90,826	113,880
Due from Alberta Agriculture Financial Services Corporation (Note 7)	1,648	3,366
Due from Crop Reinsurance Fund of Saskatchewan	6	-
	2,484,240	2,201,849
<b>Liabilities</b>		
Accounts payable and accrued liabilities	3,872	10,128
Due to the Government of Saskatchewan - Ministry of Agriculture	-	3,000
Deferred indemnities payable	1,422	1,495
Indemnities payable (Note 8)	145,130	182,684
Reinsurance premium payable to Crop Reinsurance Fund of Saskatchewan	-	5
	150,424	197,312
<b>Net Financial Assets</b>	2,333,816	2,004,537
<b>Non-Financial Assets</b>		
Tangible capital assets (Note 9)	905	912
Prepaid expenses	1,459	1,088
	2,364	2,000
Accumulated Surplus	\$ 2,336,180	\$ 2,006,537

Contractual Rights (Note 15).

Contractual obligations and contingencies (Note 16).

See accompanying notes to financial statements.

On behalf of the Board:



Chairperson



Vice-Chairperson

# Saskatchewan Crop Insurance Corporation

## Statement of Operations and Accumulated Surplus

For the year ended March 31, 2020, with comparative figures for 2019

(in thousands)

	Budget (Note 1 (k))	2020	2019
<b>Revenue</b>			
Premiums from producers - Crop Insurance	\$ 247,236	\$ 231,034	\$ 245,275
Premiums from producers - Western Livestock Price Insurance Program (WLPIP)	3,900	4,027	3,753
Enrolment fees - AgriStability	9,500	13,239	14,230
Government transfers			
Contribution from the Government of Saskatchewan - Ministry of Agriculture	184,035	170,755	191,903
Contribution from the Government of Canada	270,287	255,376	287,281
Reinsurance recoveries - WLPIP	-	2,875	9
Investment and other income	40,200	38,158	28,823
	<u>755,158</u>	<u>715,464</u>	<u>771,274</u>
<b>Expenses</b>			
Indemnities	579,321	359,631	391,538
Reinsurance premiums			
Private reinsurance expense (Note 12)	26,300	24,661	27,641
Crop Reinsurance Fund of Canada for Saskatchewan (Note 13)	-	9	24
Crop Reinsurance Fund of Saskatchewan (Note 13)	-	6	16
Bad debts	750	1,484	517
	<u>606,371</u>	<u>385,791</u>	<u>419,736</u>
Income from operations, before administration revenue and expenses	<u>148,787</u>	<u>329,673</u>	<u>351,538</u>
<b>Administration revenue</b>			
Government of Saskatchewan operating grant	48,200	48,200	46,162
Other administration revenue	1,446	1,705	1,622
	<u>49,646</u>	<u>49,905</u>	<u>47,784</u>
Administration expenses (Schedule 2)	<u>49,442</u>	<u>49,935</u>	<u>47,384</u>
Annual surplus	148,991	329,643	351,938
Accumulated surplus, beginning of year	2,006,537	2,006,537	1,654,599
Accumulated surplus, end of year	<u>\$ 2,155,528</u>	<u>\$ 2,336,180</u>	<u>\$ 2,006,537</u>

See Statement of Program Operations and Accumulated Surplus (Schedule 1)

See accompanying notes to financial statements

# Saskatchewan Crop Insurance Corporation

## Statement of Change in Net Financial Assets

**For the year ended March 31, 2020, with  
comparative figures for 2019**

(in thousands)

	<b>Budget (Note 1 (k))</b>	<b>2020</b>	<b>2019</b>
Annual surplus	\$ 148,991	\$ 329,643	\$ 351,938
Acquisition of tangible capital assets	(950)	(701)	(944)
Amortization of tangible capital assets	746	708	852
	<u>148,787</u>	<u>329,650</u>	<u>351,846</u>
Acquisition of prepaid expenses	-	(1,459)	(1,088)
Use of prepaid expenses	-	1,088	983
	<u>148,787</u>	<u>329,279</u>	<u>351,741</u>
Change in net financial assets	148,787	329,279	351,741
Net financial assets, beginning of year	2,004,537	2,004,537	1,652,796
Net financial assets, end of year	<u>\$ 2,153,324</u>	<u>\$ 2,333,816</u>	<u>\$ 2,004,537</u>

See accompanying notes to financial statements.



# Saskatchewan Crop Insurance Corporation

## Statement of Cash Flows

For the year ended March 31, 2020, with comparative figures for 2019

(in thousands)

	2020	2019
<b>Cash Provided by (Used in):</b>		
Operating Activities:		
Annual surplus	\$ 329,643	\$ 351,938
Item not affecting cash:		
Amortization	708	852
Change in non-cash operating items:		
(Increase) in accrued interest and other receivables	(2,588)	(4,036)
(Increase) in due from producers	(3,851)	(2,957)
Decrease (increase) in due from the Government of Saskatchewan - Ministry of Agriculture	15,230	(18,491)
Decrease (increase) in due from the Government of Canada	23,054	(24,874)
Decrease (increase) in due from Alberta Agriculture Financial Services Corporation	1,718	(1,543)
(Increase) in prepaid expenses	(371)	(105)
(Decrease) increase in accounts payable and accrued liabilities	(6,256)	7,386
(Decrease) increase in deferred indemnities payable	(73)	72
(Decrease) increase in indemnities payable	(37,554)	55,757
(Decrease) in reinsurance premium payable to Crop Reinsurance Fund of Saskatchewan	(11)	(1)
	<u>319,649</u>	<u>363,998</u>
Capital Activities:		
Purchase of tangible assets	(701)	(944)
	<u>318,948</u>	<u>363,054</u>
Increase in cash and cash equivalents	318,948	363,054
Cash and cash equivalents, beginning of year	1,984,768	1,621,714
<b>Cash and cash equivalents, end of year</b>	<u>\$ 2,303,716</u>	<u>\$ 1,984,768</u>
Represented by:		
Cash	\$ 15,523	\$ 19,868
Investments	10,000	9,000
Due from Government of Saskatchewan General Revenue Fund	2,278,193	1,955,900
	<u>\$ 2,303,716</u>	<u>\$ 1,984,768</u>
Supplemental cash flow information:		
Cash interest income received	\$ 37,239	\$ 25,637

See accompanying notes to financial statements.

# Saskatchewan Crop Insurance Corporation

## Statement of Program Operations and Accumulated Surplus

### (Schedule 1)

For the year ended March 31, 2020 with comparative figures for 2019 (in thousands)	Crop Insurance Program		
	Budget (Note 1 (k))	2020	2019
<b>Revenue</b>			
Premiums from producers	\$ 247,236	\$ 231,034	\$ 245,275
Enrolment fees - AgriStability	-	-	-
Government transfers			
From the Government of Saskatchewan - Ministry of Agriculture	148,284	138,378	147,048
From the Government of Canada	222,480	206,810	219,998
Reinsurance recoveries	-	-	-
Investment and other income	40,000	37,861	28,606
	<u>658,000</u>	<u>614,083</u>	<u>640,927</u>
<b>Expenses</b>			
Indemnities	483,463	259,923	264,870
Reinsurance premiums			
Private reinsurance expense (Note 12)	25,000	22,292	25,613
Crop Reinsurance Fund of Canada for Saskatchewan (Note 13)	-	9	24
Crop Reinsurance Fund of Saskatchewan (Note 13)	-	6	16
Bad debts	750	1,439	409
	<u>509,213</u>	<u>283,669</u>	<u>290,932</u>
Income from operations, before administration revenue and expenses	<u>148,787</u>	<u>330,414</u>	<u>349,995</u>
<b>Administration revenue</b>			
Government of Saskatchewan operating grant	28,675	28,675	28,037
Other administration revenue	731	804	638
	<u>29,406</u>	<u>29,479</u>	<u>28,675</u>
Administration expenses (Schedule 2)	<u>29,306</u>	<u>30,436</u>	<u>28,709</u>
Annual surplus (deficit)	<u>148,887</u>	<u>329,457</u>	<u>349,961</u>
Accumulated surplus, beginning of year	<u>1,988,190</u>	<u>1,988,190</u>	<u>1,638,229</u>
Accumulated surplus, end of year	<u>\$ 2,137,077</u>	<u>\$ 2,317,647</u>	<u>\$ 1,988,190</u>

See accompanying notes to financial statements.

Western Livestock Price Insurance Program			AgriStability Program			Total		
Budget (Note 1(k))	2020	2019	Budget (Note 1(k))	2020	2019	Budget (Note 1(k))	2020	2019
\$ 3,900	\$ 4,027	\$ 3,753	\$ -	\$ -	\$ -	\$ 251,136	\$ 235,061	\$ 249,028
-	-	-	9,500	13,239	14,230	9,500	13,239	14,230
-	-	-	35,751	32,377	44,855	184,035	170,755	191,903
-	-	-	47,807	48,566	67,283	270,287	255,376	287,281
-	2,875	9	-	-	-	-	2,875	9
-	56	52	200	241	165	40,200	38,158	28,823
3,900	6,958	3,814	93,258	94,423	126,533	755,158	715,464	771,274
2,600	5,330	243	93,258	94,378	126,425	579,321	359,631	391,538
1,300	2,369	2,028	-	-	-	26,300	24,661	27,641
-	-	-	-	-	-	-	9	24
-	-	-	-	-	-	-	6	16
-	-	-	-	45	108	750	1,484	517
3,900	7,699	2,271	93,258	94,423	126,533	606,371	385,791	419,736
-	(741)	1,543	-	-	-	148,787	329,673	351,538
1,125	1,125	980	18,400	18,400	17,145	48,200	48,200	46,162
5	21	10	710	880	974	1,446	1,705	1,622
1,130	1,146	990	19,110	19,280	18,119	49,646	49,905	47,784
1,132	824	796	19,004	18,675	17,879	49,442	49,935	47,384
(2)	(419)	1,737	106	605	240	148,991	329,643	351,938
3,807	3,807	2,070	14,540	14,540	14,300	2,006,537	2,006,537	1,654,599
\$ 3,805	\$ 3,388	\$ 3,807	\$ 14,646	\$ 15,145	\$ 14,540	\$ 2,155,528	\$ 2,336,180	\$ 2,006,537

# Saskatchewan Crop Insurance Corporation

## Program Administration Expenses (Schedule 2)

For year ended March 31, 2020 with comparative figures for 2019 (in thousands)	Crop Insurance Program		
	Budget (Note 1(k))	2020	2019
Salaries and benefits	\$ 18,311	\$ 19,239	\$ 17,910
Professional services	2,815	2,853	2,717
Operating expense	2,532	2,566	2,570
Travel expense	2,467	2,921	2,684
Information and technology	1,407	1,366	1,255
Communications	592	586	563
Amortization expense	388	378	440
Human resources	437	353	359
Office supplies	170	130	152
Equipment expense	146	30	49
Facilities expense	41	14	10
<b>Total Program Administration Expenses</b>	<b>\$ 29,306</b>	<b>\$ 30,436</b>	<b>\$ 28,709</b>

See accompanying notes to financial statements.

Western Livestock Price Insurance Program			AgriStability Program			Total		
Budget (Note 1(k))	2020	2019	Budget (Note 1(k))	2020	2019	Budget (Note 1(k))	2020	2019
\$ 355	\$ 226	\$ 208	\$ 12,191	\$ 11,127	\$ 10,725	\$ 30,857	\$ 30,592	\$ 28,843
11	2	18	2,218	3,087	2,950	5,044	5,942	5,685
552	394	414	2,007	2,028	2,006	5,091	4,988	4,990
30	18	17	156	182	112	2,653	3,121	2,813
20	24	22	1,273	1,283	1,070	2,700	2,673	2,347
160	158	115	283	312	244	1,035	1,056	922
-	-	-	358	330	412	746	708	852
2	1	1	357	248	265	796	602	625
1	1	1	80	49	60	251	180	213
1	-	-	42	18	25	189	48	74
-	-	-	39	11	10	80	25	20
<b>\$ 1,132</b>	<b>\$ 824</b>	<b>\$ 796</b>	<b>\$ 19,004</b>	<b>\$ 18,675</b>	<b>\$ 17,879</b>	<b>\$ 49,442</b>	<b>\$ 49,935</b>	<b>\$ 47,384</b>

## Saskatchewan Crop Insurance Corporation Notes to the Financial Statements

March 31, 2020

The Saskatchewan Crop Insurance Corporation (the "Corporation"), was established under the *Crown Corporations Act* and operates under the authority of *The Saskatchewan Crop Insurance Corporation Act*. Within guidelines in the Act, the Corporation will administer the Saskatchewan Crop Insurance Fund and the Agricultural Income Stabilization Fund ("AgriStability"). Information on the individual funds are included in the Schedules within these financial statements. The Corporation is a Crown Corporation that is accountable to the Treasury Board.

*The Canadian Agricultural Partnership (CAP): A Federal-Provincial-Territorial Framework Agreement on Agriculture, Agri-Food and Agri-Based Products Policy* requires that reinsurance funds be established by the Government of Canada and the Government of Saskatchewan. These reinsurance funds receive reinsurance premiums from the Corporation and, under certain circumstances, pay reinsurance benefits to the Corporation.

Crop Insurance rates and reinsurance premiums are set such that the Crop Insurance Program is actuarially sound over the long term. Any indemnities receivable, in excess of assets of the Crop Reinsurance Fund of Saskatchewan, will be recovered through future reinsurance premiums paid by the Corporation. If these future reinsurance premiums are insufficient to pay reinsurance benefits and repay this receivable, the Government of Saskatchewan General Revenue Fund is required to fund any deficiency.

The Crop Reinsurance Fund of Saskatchewan is administered by the Corporation. The operations, assets and liabilities of this reinsurance fund are reported in separate financial statements as required by CAP.

AgriStability was established as a continuation of the Canadian Agricultural Income Stabilization (CAIS) program. This program provides agricultural producers with protection against declines in Production Margin (as defined in the AgriStability Program Guidelines). Participants must enrol in the program and pay administration and enrolment fees based on a reference margin based on the individual participant's Production Margin for specified prior years. A program benefit is paid to the participant when the participant's current Production Margin falls below the set reference margin.

The Corporation delivers the Western Livestock Price Insurance Program (WLPIP) for Saskatchewan producers. WLPIP is a risk management tool that provides producers with protection against an unexpected drop in prices of certain categories of livestock over a defined period of time. 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. AFSC's administrative expenses are shared by the participating provinces with the Corporation paying 22 per cent of the cost. The Corporation provides all customer support for the program for Saskatchewan producers.

In addition, on behalf of the Ministry of Agriculture and the Saskatchewan Agricultural Stabilization Fund, the Corporation administers the Wildlife Damage Compensation fund. The financial statements of the Saskatchewan Agricultural Stabilization Fund are reported separately.

As a crown entity, the Corporation is not subject to federal or provincial income tax, or federal goods and services tax.

### 1. Significant accounting policies:

The financial statements of the Corporation have been prepared by management in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board ("PSAB") and published by Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Corporation are as follows:

(a) Basis of accounting:

The Corporation follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(b) Government transfers:

Government transfers are without stipulations restricting their use and are recognized in the financial statements as revenues in the period in which the transfers are authorized, any eligibility criteria are met, and reasonable estimates of the amounts can be made.

(c) Financial assets and liabilities:

Financial assets and liabilities of the Corporation include cash, investments, due from the Government of Saskatchewan General Revenue Fund, accrued interest and other receivables, due from producers, due from the Government of Saskatchewan – Ministry of Agriculture, due from the Government of Canada, due from (to) the Alberta Agriculture Financial Services Corporation, due from Crop Reinsurance fund of Saskatchewan, accounts payable and accrued liabilities, deferred indemnities payable, indemnities payable and reinsurance premium payable to Crop Reinsurance Fund of Saskatchewan.

Cash and investments are recorded by the Corporation at fair value. All other financial assets and liabilities are recorded at amortized cost.

(d) Investments:

Investments are short term in nature and are recorded at fair value. The fair value of investments is based on cost, which approximates fair value due to the immediate or short-term nature of these financial instruments.

(e) Investment earnings:

The Corporation recognizes interest as earned and investment gains and losses when realized.

Realized gains and losses represent the difference between the amounts received through the sale of investments and their respective cost base. Interest is generally receivable on a semi-annual basis.

(f) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(g) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value of the assets, excluding land, is amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
Equipment	5
Leasehold improvements	5
Computer equipment	3
Software	3

h) Indemnities payable:

Indemnities payable represents estimates of the total cost of outstanding claims at the year-end date. Measurement of the indemnities payable is uncertain as all of the necessary information for reported claims is not always available as of year-end and therefore estimates are made for the value of these claims. As a result, indemnities payable are selected from a range of possible outcomes and actual results may differ materially from those estimates.

(i) Premium revenue recognition:

Crop Insurance is a cost-shared program. Premium revenues are shared for 2020 and 2019 as follows:

	Producers Percentage	Federal Gov't Percentage	Provincial Gov't Percentage
Comprehensive coverage	40.0	36.0	24.0
Weather derivatives	40.0	36.0	24.0
Enhanced irrigation coverage	40.0	20.0	40.0

Premiums, including the producer and federal and provincial governments' contributions, are recognized as revenue when invoiced to producers.

(j) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include the determination of indemnities payable, the corresponding contributions and receivables from the Government of Saskatchewan–Ministry of Agriculture and the Government of Canada and the allowance for doubtful accounts receivable. Actual results could differ materially from these estimates.

(k) Budget figures:

The budget results and budget amounts have been derived from the budget approved by the Board on March 6, 2019.

(l) The Public Sector Accounting Board has issued the following standards and amendments that are not yet in effect and have not been applied in preparing these financial statements:

*PS 3280 Asset Retirement Obligation (effective April 1, 2021)*, a new standard will provide guidance on principles for recognition, measurement, presentation and disclosure of legal obligations associated with retirement of tangible capital assets from productive use; and

*PS 3400 Revenue (effective April 1, 2022)* will provide guidance for recognition, measurement and presentation of revenues common to government other than tax revenues and government transfers

The Corporation plans to adopt the new standards in the fiscal year in which it becomes effective. Management is currently analyzing the impact that these new standards will have on the financial statements.

## 2. Cash

	(in thousands)	
	2020	2019
Cash	\$ 15,523	\$ 1,470
Business premium rate savings account	-	18,398
Total	<u>\$ 15,523</u>	<u>\$ 19,868</u>

The bank account savings rate pays interest monthly and is calculated on the daily closing balance at an effective annual rate of 1.40 per cent (2019 – 1.32 per cent).

## 3. Investments:

The Corporation's investments are in fixed rate GIC's with \$5,000,000 maturing on June 22, 2020 earning an effective interest rate of 2.27 per cent and \$5,000,000 maturing on November 30, 2020 earning an effective interest rate of 2.24 per cent. (2019 – 2.77 per cent and 1.85 per cent).

## 4. Due from the Government of Saskatchewan General Revenue Fund:

The Corporation's bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan. Interest is earned on these funds at the government's thirty day borrowing rate and is based on the Corporation's average daily account balance. Interest is paid by the Government of Saskatchewan General Revenue Fund to the Corporation on a quarterly basis. During the current year, the average rate was 1.72 per cent (2019 – 1.54 per cent).

## 5. Due from the Government of Saskatchewan – Ministry of Agriculture:

The receivable balance is comprised of the following:

	(in thousands)	
	2020	2019
Crop Insurance premiums	\$ 15,131	\$ 14,191
AgriStability contributions	41,763	60,933
Total	<u>\$ 56,894</u>	<u>\$ 75,124</u>

## 6. Due from the Government of Canada

The receivable balance is comprised of the following:

	(in thousands)	
	2020	2019
Crop Insurance premiums	\$ 28,180	\$ 22,480
AgriStability contributions	62,646	91,400
Total	<u>\$ 90,826</u>	<u>\$ 113,880</u>

## 7. Due from Alberta Agriculture Financial Services Corporation:

The Government of Alberta's Agriculture Financial Services Corporation (AFSC) is the central administering agent for WLP. This amount represents the premiums collected from Saskatchewan producers for the program, plus interest earned less indemnities and reinsurance paid as follows:

	(in thousands)	
	2020	2019
Total premiums collected	\$ 22,855	\$ 19,795
Interest earned on funds	171	125
Reinsurance recovery on program	5,306	2,431
Less reinsurance premiums	(8,016)	(5,647)
Less indemnities paid	(18,668)	(13,338)
Total due from AFSC	<u>\$ 1,648</u>	<u>\$ 3,366</u>



## 8. Indemnities payable:

The following is a reconciliation of the Crop Insurance and AgriStability indemnities payable:

	(in thousands)	
	2020	2019
<b>Crop Insurance indemnities payable:</b>		
Balance, beginning of the year	\$ 19,866	\$ 5,195
Provision for current year claims	268,300	267,065
Benefits paid during the current year	(253,219)	(250,199)
Prior years' claim cost experience lower than expected	(8,377)	(2,195)
Balance, end of year	<u>\$ 26,570</u>	<u>\$ 19,866</u>
<b>AgriStability indemnities payable:</b>		
	2020	2019
Balance, beginning of year	\$ 162,818	\$ 121,732
Provision for current year	113,864	139,730
Benefits paid during the current year	(138,636)	(85,339)
Prior years' claim cost experience lower than expected	(19,486)	(13,305)
Balance, end of year	<u>\$ 118,560</u>	<u>\$ 162,818</u>
Total indemnities payable	<u>\$ 145,130</u>	<u>\$ 182,684</u>

Crop Insurance indemnities payable have been estimated based on the number of claims outstanding at March 31, 2020. The number of claims is then multiplied by an average rate based on the crop type and acres outstanding.

AgriStability indemnities payable have been estimated using economic models which consider the number of program participants, estimated reference margins, estimated claim year margins based on projected forecast commodity prices, crop yields, inventory changes and forecast changes in eligible income and expenses on an aggregate basis for different sectors of the agricultural industry. Based on the above key assumptions and using a statistical model for projections, the estimated provision for current year claims is in the range of \$75,797,302 to 151,929,938 (2019-\$105,278,296 to \$174,181,202). Estimated indemnities for prior claim years are based on potential payments for claims not yet processed. AgriStability indemnities payable are subject to measurement uncertainty.

As the assumptions used to estimate Crop Insurance and AgriStability indemnities payable may change over time, it is possible that such changes could cause a material change to these payables and the corresponding contributions and receivables from the Government of Saskatchewan-Ministry of Agriculture and Government of Canada.

## 9. Tangible capital assets:

	(in thousands)				
	Equipment	Leasehold Improvements	Computer Software	Computer Equipment	Total
<b>2020</b>					
<b>Cost</b>					
Balance, beginning of year	\$ 2,231	\$ 9,391	\$ 11,962	\$ 8,900	\$ 32,484
Additions	177	21	83	420	701
Disposals	-	-	-	(105)	(105)
Balance, end of year	<u>\$ 2,408</u>	<u>\$ 9,412</u>	<u>\$ 12,045</u>	<u>\$ 9,215</u>	<u>\$ 33,080</u>
<b>Accumulated Amortization</b>					
Balance, beginning of year	2,211	9,240	\$ 11,927	\$ 8,194	\$ 31,572
Disposals	-	-	-	(105)	(105)
Amortization expense	43	59	53	553	708
Balance, end of year	<u>\$ 2,254</u>	<u>\$ 9,299</u>	<u>\$ 11,980</u>	<u>\$ 8,642</u>	<u>\$ 32,175</u>
Net book value, end of year	<u>\$ 154</u>	<u>\$ 113</u>	<u>\$ 65</u>	<u>\$ 573</u>	<u>\$ 905</u>

					(in thousands)
	Equipment	Leasehold Improvements	Computer Software	Computer Equipment	Total
<b>2019</b>					
<b>Cost</b>					
Balance, beginning of year	\$ 2,223	\$ 9,360	\$ 11,935	\$ 8,323	\$ 31,841
Additions	8	31	27	878	944
Disposals	-	-	-	(301)	(301)
Balance, end of year	<u>\$ 2,231</u>	<u>\$ 9,391</u>	<u>\$ 11,962</u>	<u>\$ 8,900</u>	<u>\$ 32,484</u>
<b>Accumulated Amortization</b>					
Balance, beginning of year	\$ 2,202	\$ 9,182	\$ 11,861	\$ 7,776	\$ 31,021
Disposals	-	-	-	(301)	(301)
Amortization expense	9	58	66	719	852
Balance, end of year	<u>\$ 2,211</u>	<u>\$ 9,240</u>	<u>\$ 11,927</u>	<u>\$ 8,194</u>	<u>\$ 31,572</u>
Net book value, end of year	<u>\$ 20</u>	<u>\$ 151</u>	<u>\$ 35</u>	<u>\$ 706</u>	<u>\$ 912</u>

## 10. Financial Risk Management:

The nature of the Corporation's operations results in a statement of financial position that consists primarily of financial instruments. The risks that arise are credit risk, market risk (consisting of interest rate risk and foreign exchange risk) and liquidity risk.

Significant financial risks are related to the Corporation's investments. These financial risks are managed by investing in short-term investments which reduce the risk of market fluctuations.

### Credit risk

The Corporation's credit risk arises primarily from two distinct sources: accounts receivable (from its customers and reinsurers) and its cash. The maximum credit risk to which it is exposed at March 31, 2020 is limited to the carrying value of the financial assets summarized as follows:

	(in thousands)	
	2020	2019
Cash	\$ 15,523	\$ 19,868
Investments	10,000	9,000
Accrued interest and other receivables	12,499	9,911
Due from producers	18,651	14,800
Due from the Government of Saskatchewan - Ministry of Agriculture	56,894	75,124
Due from the Government of Canada	90,826	113,880
Due from Alberta Agriculture Financial Services Corporation	1,648	3,366
Due from Crop Reinsurance Fund of Saskatchewan	6	-
Total	<u>\$ 206,047</u>	<u>\$ 245,949</u>

The breakdown of producer receivables is as follows:

	(in thousands)	
	2020	2019
Less than one year	\$ 18,608	\$ 14,243
Greater than one year	8,925	10,005
	<u>27,533</u>	<u>24,248</u>
Allowance for doubtful accounts	(8,882)	(9,448)
Total	<u>\$ 18,651</u>	<u>\$ 14,800</u>

Provisions for credit losses are maintained in an allowance account and regularly reviewed by the Corporation. Amounts are written off once reasonable collection efforts have been exhausted. Details of the allowance account are as follows:

	(in thousands)	
	2020	2019
Allowance for doubtful accounts, beginning of year	\$ 9,448	\$ 9,870
Accounts written off	-	-
Current period provision	(566)	(422)
Allowance for doubtful accounts, end of year	<u>\$ 8,882</u>	<u>\$ 9,448</u>

### Market risk

Market risk represents the potential for loss from changes in the value of financial instruments. Value can be affected by changes in interest rates, foreign exchange rates and equity prices. Market risk primarily impacts the value of investments.

Interest rate risk is managed by investing primarily in short term investments. The Corporation is not subject to risks related to foreign exchange or equity prices.

### Liquidity risk

Liquidity risk is the risk that the Corporation is unable to meet its financial obligations as they become due. Cash resources are managed on a daily basis based on anticipated cash flows. The majority of financial liabilities, excluding certain unpaid claims liabilities, are short-term in nature, due within one year. The Corporation generally maintains positive overall cash flows through cash generated from operations, as well as cash generated from its investing activities.

The primary liquidity risk relates to its liability for insurance claims. Insurance claims are funded firstly with current year premiums collected, which normally exceeds cash requirements. In addition, the insurance program surplus funds are retained in such a way that cash is available to pay claims as needed. The Corporation also carries private sector reinsurance for Crop Insurance and WLPIP, providing significant protection against catastrophic losses. If all of the above are exhausted, the Crop Insurance program has a reinsurance agreement with the Government of Canada and the Government of Saskatchewan to provide additional funding for claim payments. The Corporation also has the ability to borrow funds from the Government of Saskatchewan to meet short-term cash flow needs.

### 11. Pension plans:

The Corporation's employees participate in the Public Service Superannuation Plan, a multi-employer defined benefit pension plan, or the Public Employee's Pension Plan, a multi employer defined contribution pension plan. Pension costs of \$1,877,997 (2019 - \$1,790,327) are included in salaries and benefits and comprise the cost of employer contributions for current service of employees during the year.

The Corporation's liability is limited to the required contributions.

### 12. Private reinsurance expense

#### Crop Insurance

In addition to the financial protection provided by federal-provincial reinsurance funds, the Corporation entered into a one year agreement with private sector reinsurers for the 2019 crop year. The agreement will cover indemnities that exceed 23 per cent of the liability to a maximum coverage of \$363 million. The total liability for 2019-20 is \$6.6 billion resulting in a net premium cost after premium rebate of \$22,291,604 (2019 - \$25,612,620).

#### Western Livestock Price Insurance

Alberta's Agriculture Financial Services Corporation (AFSC) administers this program on behalf of the Corporation. AFSC entered into a private reinsurance agreement for the 2019-20 year. The Corporation's share is \$2,369,163 (2019 - \$2,027,947).

This expense consists of two types of coverage:

- a) For stop loss reinsurance, whereby reinsuring companies assumed 100% of the losses between 200% to 500% of gross net written premiums, the Corporation's share of reinsurance premiums were \$583,712 (2019 - \$544,985).
- b) For a separate quota share reinsurance agreement whereby the reinsurer assumed 55% of all losses incurred, the Corporation's share of total reinsurance premiums, net of commission rebates were \$1,785,451 (2019 - \$1,482,962).

The reinsurer's share of losses is \$2,874,697 (2019 - \$9,448), and is recorded as reinsurance recoveries on the financial statements.

### 13. Crop Reinsurance Funds:

In accordance with the terms of the reinsurance agreement between the Government of Canada and the Province of Saskatchewan, the two levels of government maintain separate reinsurance accounts. The Corporation pays reinsurance premium to the Crop Reinsurance Fund of Canada for Saskatchewan and to the Crop Reinsurance Fund of Saskatchewan, based on the amount of premiums collected and the cumulative financial balance of the Crop Insurance Program.

When indemnities paid to the insured producers exceed the funds retained by the Corporation, after accounting for private sector reinsurance recoveries, transfers are made from the reinsurance funds to the Corporation. Interest is not credited or charged to the respective reinsurance funds by the Government of Canada or the Province of Saskatchewan. The balances in the Crop Reinsurance Fund of Canada for Saskatchewan and the Crop Reinsurance Fund of Saskatchewan are held by the Government of Canada and the Province of Saskatchewan, respectively.

The federal and provincial reinsurance program is an agreement on how to share the financing of any deficits in the Crop Insurance program.

Current year contributions to the individual funds for prior year premiums collected during the year are as follows:

	(in thousands)	
	2020	2019
Crop Reinsurance Fund of Canada for Saskatchewan	\$ 9	\$ 24
Crop Reinsurance Fund Saskatchewan	6	16

The financial statements of the Crop Reinsurance Fund of Saskatchewan are presented separately.

### 14. Related party transactions:

Included in these financial statements are transactions with various Saskatchewan crown corporations, ministries and agencies, boards and commissions related to the Corporation by virtue of common control exercised by the Government of Saskatchewan, as well as key management personnel of the Corporation and their close family members and any entities controlled by, or under shared control of, any of these individuals, collectively referred to as "related parties".

These transactions are conducted in the normal course of operations and are recorded at the exchange amount, which is the amount of consideration established and agreed by the related parties. These transactions are not significant to the **Corporation's operations or financial position except as described below:**

	(in thousands)	
	2020	2019
Administration expenses:		
Services provided by Ministry of Central Services	\$ 4,058	\$ 3,993
Services provided by Sask Tel CMR	1,004	1,030
Services provided by Public Employees Benefits Agency	628	606
Services provided by Saskatchewan Workers Compensation Board	270	298
Services provided by Ministry of Finance – self-assessed PST	297	258
Services provided by other related parties	357	401
Accounts payable and accrued liabilities as at March 31, 2020:		
Ministry of Central Services	\$ 91	\$ 110
Ministry of Finance	51	18
Public Employees Benefits Agency	54	58
Sask Tel CMR	(43)	30
Other related parties	46	99
Revenue:		
Saskatchewan Agricultural Stabilization Fund	\$ 399	\$ 342
Other related parties	50	50

The expenses disclosed above have been included under administration expenses in the statement of operations and accumulated surplus.

### 15. Contractual Rights:

(a) Under the *Canadian Agricultural Partnership (CAP): A Federal-Provincial-Territorial Framework Agreement on Agriculture, Agri-Food and Agri-based Products Policy*, the Federal and Provincial governments will provide funding for the following agricultural programs until March 31, 2023:

i) The Crop insurance program which is administered by the Corporation for the Province of Saskatchewan on a cost-sharing basis as follows:

	Producer	Federal	Provincial
Crop insurance – Comprehensive production loss coverage	40%	36%	24%
Crop insurance – High cost production loss coverage	40%	20%	40%

Revenue of the Corporation from this program is determined based on insurance contracts executed by the producers and can significantly fluctuate on a yearly basis depending on the number of acres insured, crop type and coverage levels. As a result, the expected revenue of the Corporation cannot be reasonably estimated and therefore is not disclosed in these financial statements.

ii) The AgriStability program which is also administered by the Corporation for the Province of Saskatchewan on a cost-sharing basis as follows:

	Producer	Federal	Provincial
AgriStability	-	60%	40%

Revenue of the Corporation from this program is determined based on the enrolment of the producer on an annual basis. As participation is optional, revenues can fluctuate significantly on a yearly basis.

(b) Subsequent to March 31, 2020, the Corporation entered into a reinsurance contract with Willis Re for the 2020-21 fiscal year. A contractual right exists as there could be revenue received if the conditions of the contract in Note 16 are met. The revenue cannot be reasonably estimated at this time and therefore is not disclosed in these financial statements.

## 16. Contractual obligations and contingencies:

### *Contractual obligations:*

The Corporation is committed to the Saskatchewan Ministry of Central Services, a related crown entity, for several leases for office space with annual payments of \$3,390,166. The leases are currently renewable on an annual basis.

The Corporation is also committed to other corporations for the purchase of weather data and the lease of equipment for weather stations around Saskatchewan. Minimum payments of \$448,407 are expected for the next fiscal year.

The Corporation is committed to Microsoft Canada for enterprise support services until December 31, 2020 in the amount of \$135,518 per year as well as a software maintenance and software as a service agreement until December 31, 2020 in the amount of 312,843.

Subsequent to March 31, 2020, the Corporation entered into a reinsurance contract with Willis Re for the 2020-21 fiscal year. The Corporation is committed for the crop aggregate excess of loss reinsurance contract for 2020-21. The contract cost is in the range of \$22 million to a maximum \$24.3 million per year based on a projected liability of \$6.49 billion. The contract covers indemnities that exceeds 23 per cent of the liability to a maximum of \$357 million.

### *Contingencies:*

Pursuant to the *Canadian Agricultural Partnership (CAP); A Federal-Provincial-Territorial Framework Agreement on Agriculture, Agri-Food and Agri-based Products Policy* in the event the agreement is terminated and no new agreement is entered into, all tangible capital assets funded under the agreement shall be disposed of and the proceeds shall be shared by the Government of Saskatchewan - Ministry of Agriculture and the Government of Canada. As of March 31, 2020, all tangible capital assets owned by the Corporation have been funded by this agreement.

Various legal actions for additional crop insurance indemnity payments have been initiated against the Corporation. Presently, the Corporation is actively defending these cases. While the outcome of these claims cannot be determined, management is of the opinion that the result of these actions will not have a material impact on the Corporation's financial position.

## 17. COVID-19 Impact Assessment

The COVID-19 pandemic has caused material disruption to businesses and has resulted in an economic slowdown. The Corporation has assessed and continues to monitor the impact of COVID-19 on its operations. The magnitude and duration of COVID-19 is uncertain and accordingly it is difficult to reliably measure the potential impact of this uncertainty on the Corporation. Potential impacts include loss of revenue, supply chain disruption, challenges associated with a remote or unavailable workforce and potential asset impairment.

## 18. Comparative information

Certain comparative information has been reclassified to conform to the current year's presentation.

# Crop Reinsurance Fund of Saskatchewan

## Independent Auditors' Report

To the Members of the Legislative Assembly, Province of Saskatchewan

### **Opinion**

We have audited the financial statements of Crop Reinsurance Fund of Saskatchewan ("the Entity") which comprise:

- the statement of financial position as at March 31, 2020
- the statement of operations and changes in accumulated surplus for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### **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 "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' report.

We are independent of the Entity in accordance with the 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 Canadian public sector accounting standards, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

## **Auditors' 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 auditors' 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 the 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.
- 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.

**KPMG LLP**

Chartered Professional Accountants

Regina, Canada

May 20, 2020

# Crop Reinsurance Fund of Saskatchewan

## Statement of Financial Position

**As of March 31, 2020, with comparative figures for 2019**

(in thousands)

	2020	2019
<b>Financial Assets</b>		
Due from Government of Saskatchewan General Revenue Fund (Note 2)	\$ 165,909	\$ 165,892
Due from Saskatchewan Crop Insurance Corporation	-	5
	\$ 165,909	\$ 165,897
<b>Liabilities</b>		
Due to Saskatchewan Crop Insurance Corporation	6	-
<b>Accumulated Surplus</b>	\$ 165,903	\$ 165,897

See accompanying notes to financial statements.

On behalf of the Board:



Chairperson



Vice-Chairperson

# Crop Reinsurance Fund of Saskatchewan

## Statement of Operations and Changes in Accumulated Surplus

**For the year ended March 31, 2020, with comparative figures for 2019**

(in thousands)

	2020	2019
<b>Revenue</b>		
Reinsurance premium ceded from the Saskatchewan Crop Insurance Corporation	\$ 6	\$ 16
Annual surplus	6	16
<b>Accumulated Surplus, beginning of year</b>	165,897	165,881
<b>Accumulated Surplus, end of year</b>	\$ 165,903	\$ 165,897

See accompanying notes to financial statements.



# Crop Reinsurance Fund of Saskatchewan

## Notes to Financial Statements

**March 31, 2020**

The *Canadian Agricultural Partnership (CAP): A Federal-Provincial-Territorial Framework Agreement on Agriculture, Agri-Food and Agri-Based Products Policy* replaced *Growing Forward 2: A Federal-Provincial-Territorial Framework Agreement on Agriculture, Agri-Food and Agri-Based Products Policy* and provides for the establishment of two reinsurance funds:

- a) The Crop Reinsurance Fund of Saskatchewan (the Fund) which is administered by the Government of Saskatchewan, and
- b) The Crop Reinsurance Fund of Canada for Saskatchewan which is administered by the Government of Canada.

### **1. Significant accounting policies:**

The financial statements of the Crop Reinsurance Fund of Saskatchewan have been prepared by management in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board ("PSAB") and published by Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Fund are as follows:

#### *Reinsurance premium ceded from the Saskatchewan Crop Insurance Corporation:*

Under the terms of the agreement referred to above, the Saskatchewan Crop Insurance Corporation is required to pay reinsurance premiums to the reinsurance funds based on premiums received during the insurance year.

#### *Liability for claim payments from the reinsurance funds:*

Under the terms of the agreement referred to above, payments are required from the reinsurance funds if indemnities which were required to be paid in an insurance year exceeded the aggregate of:

- a) the premium receipts for the year less reinsurance premiums ceded, and
- b) the net assets of the Saskatchewan Crop Insurance Corporation's Crop Insurance Fund.

To the extent that payments are required out of the reinsurance funds, the Crop Reinsurance Fund of Saskatchewan is responsible for an amount not exceeding 2.50 per cent (2019 - 2.50 per cent) of the total liability under policies in force in the insurance year. However, the Crop Reinsurance Fund of Saskatchewan is not required to pay this amount if it has made a payment in previous years and the payment that has not yet been recovered from its operations exceeds 16.67 per cent of the total liability of the policies in force for the current year.

The balance of indemnities that exceed the net assets in the Saskatchewan Crop Insurance Corporation are shared 75 per cent by the Crop Reinsurance Fund of Canada for Saskatchewan and 25 per cent by the Crop Reinsurance Fund of Saskatchewan.

Crop insurance rates and reinsurance premiums are set such that the Crop Insurance Program is actuarially sound over the long term. Any indemnities payable to the Saskatchewan Crop Insurance Corporation, in excess of assets within the Crop Reinsurance Fund of Saskatchewan, will be recovered through future reinsurance premiums paid by the Saskatchewan Crop Insurance Corporation. If these future reinsurance premiums are insufficient to allow the Crop Reinsurance Fund of Saskatchewan to repay this payable, the Government of Saskatchewan is required to fund any deficiency.

#### *Indemnities payable to Saskatchewan Crop Insurance Corporation:*

This includes estimates of the total cost of outstanding claims at the year-end date. Measurement of the indemnities payable is uncertain as all of the necessary information for reported claims is not always available as of the year-end and therefore estimates are made as to the value of these claims.

As a result, indemnities payable are selected from a range of possible outcomes and actual results may differ materially from the estimate.

#### *Use of estimates:*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Actual results could differ materially from those estimated.

### **2. Due from the Government of Saskatchewan General Revenue Fund:**

The Crop Reinsurance Fund bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan.

Interest is not allocated to the Crop Reinsurance Fund.

### **3. Statement of cash flows:**

A statement of cash flows has not been prepared as a separate statement would not provide additional, useful information.

### **4. Fair value of financial assets:**

The fair value of the due from Government of Saskatchewan General Revenue Fund and the reinsurance premium receivable from Saskatchewan Crop Insurance Corporation approximate their carrying values due to their short-term nature.

### **5. Contractual Rights:**

The *Canadian Agricultural Partnership (CAP) on Agriculture, Agri-Food and Agri-based Products Policy* is effective from April 1, 2018 and will remain in effect until March 31, 2023.

The Fund shall remain in effect as long as the AgrilInsurance component of the agreement is in effect.

The premium ceded to this Fund is based on the cumulative balance of the crop insurance fund administered by Saskatchewan Crop Insurance Corporation, the Fund and the Crop Reinsurance Fund of Canada for Saskatchewan as of the end of the previous year. As the current cumulative balance is more than 100 per cent of the annual premiums from the previous fiscal year, there are no premiums required to be ceded.

### **6. Accounting Standards not in effect:**

The Public Sector Accounting Board has issued the following standards and amendments that are not yet in effect and have not been applied in preparing these financial statements:

*PS 3280 Asset Retirement Obligation (effective April 1, 2021)*, a new standard will provide guidance on principles for recognition, measurement, presentation and disclosure of legal obligations associated with retirement of tangible capital assets from productive use, and;

*PS 3400 Revenue (effective April 1, 2022)* will provide guidance for recognition, measurement and presentation of revenues common to government other than tax revenues and government transfers;

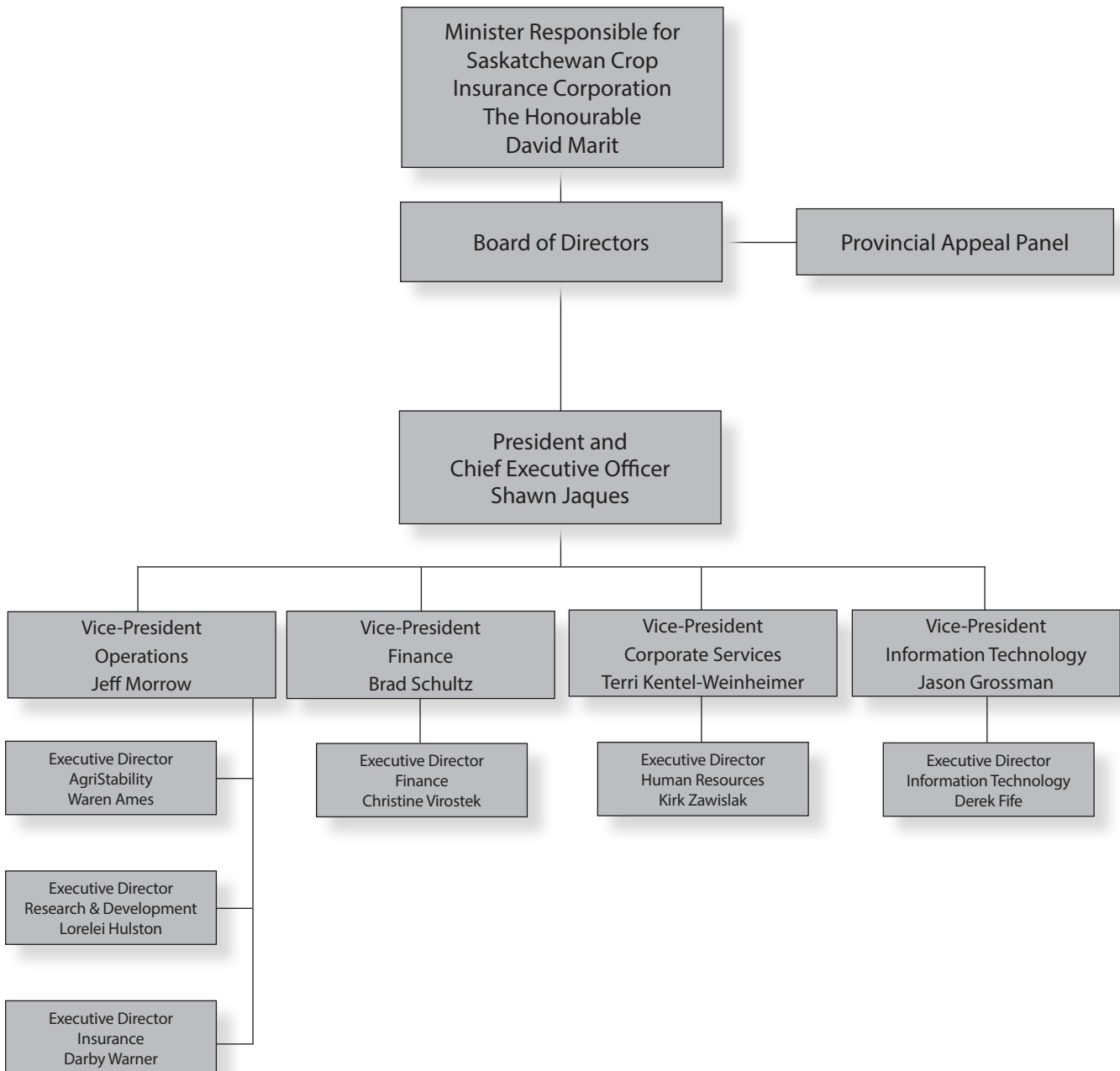
The Fund plans to adopt the new standards in the fiscal year in which it becomes effective. Management is currently analyzing the impact that these new standards will have on the financial statements.

### **7. COVID-19 Impact Assessment**

The COVID-19 pandemic has caused material disruption to businesses and has resulted in an economic slowdown. The Fund has assessed and continues to monitor the impact of COVID-19 on its operations. The magnitude and duration of COVID-19 is uncertain and accordingly it is difficult to reliably measure the potential impact of this uncertainty on the Fund. Potential impacts include loss of revenue, supply chain disruption, challenges associated with a remote or unavailable workforce and potential asset impairment.

# Appendices

## Appendix 1: Organizational Chart as of March 31, 2020



# Appendix 2: AgriStability Program

## Statistical Highlights

As of March 31, 2020<sup>1</sup>

	2018	2017	2016	2015	2014
<b>Financial</b>					
Total Payments	\$ 110.6 M	\$ 50.0 M	\$ 73.0 M	\$ 34.0 M	\$ 109.0 M
Total Fees Received	\$ 12.6 M	\$ 12.5 M	\$ 12.6 M	\$ 12.6 M	\$ 13.4 M
<b>Applications</b>					
Applications Received	10,207	10,872	11,852	13,011	14,327
Applications Processed	7,807	8,510	11,852	13,011	14,327
Applications Receiving Payment	1,365	931	1,492	949	2,494
<b>Participants</b>					
Total Paying Program Fees	10,984	11,834	13,350	15,002	17,266
Percentage of total farm cash receipts participating in AgriStability <sup>2</sup>	51%	52%	51%	52%	54%
Percentage of AgriStability participants enrolled in the Crop Insurance Program	68.30%	60.2%	64.1%	69.9%	66.5%

<sup>1</sup>The statistics presented do not represent final values for each program year.

<sup>2</sup>AgriStability participants are those that have submitted their application and program forms, paid the program fee and have been processed. Participants with gross operating revenues of less than \$10,000 have been excluded.

# Appendix 3: Crop Insurance Program

## Statistical Highlights

	2019	2018	2017	2016	2015
<b>Financial</b>					
Total Premium (P)	\$ 576.0 M	\$ 612.0 M	\$ 585.0 M	\$ 632.0 M	\$ 497.0 M
Total Indemnities (I)	\$ 260.0 M	\$ 265.0 M	\$ 198.0 M	\$ 650.0 M	\$ 270.0 M
Net Loss Ratio (I/P)	0.45	0.43	0.34	1.03	0.54
<b>Liability</b>					
Total Insured Value	\$ 6.6 B	\$ 6.3 B	\$ 6.1 B	\$ 6.4 B	\$ 4.9 B
<b>Insured Acres</b>					
Annual Grain Crops					
• Multi-Peril Insurance	28.3 M	28.0 M	27.0 M	27.4 M	26.6 M
• Ratio of Insured to Seeded Acres	76%	76%	73%	75%	73%
Perennial Forage Crops					
• Multi-Peril Insurance	0.4 M	0.4 M	0.3 M	0.4 M	0.2 M
• Forage Rainfall Insurance Program	2.2 M	1.5 M	1.0 M	1.3 M	0.6 M
• Corn Heat Unit Program	8,527	14,230	8,795	11,915	10,044
• Corn Rainfall Program	27,931				
<b>Insured Contracts</b>					
All Programs	18,453	18,990	19,230	19,877	20,440
<b>Distribution of Acres by Coverage Level</b> (expressed as a per cent of average yield)					
50% and Winterkill	9%	10%	13%	13%	15%
60%	7%	7%	9%	8%	9%
70%	36%	36%	35%	35%	38%
80%	48%	47%	43%	44%	38%
Weighted Average	72%	72%	71%	71%	70%
<b>Claims Registered*</b>					
Unseeded Acreage	59	670	2,683	1,656	3,657
Establishment	1,628	1,552	1,338	1,285	3,094
Pre-Harvest	2,942	2,052	1,314	2,290	2,355
Post-Harvest	7,866	8,523	7,491	11,225	8,708
Wildlife - Waterfowl**	1,297	1,571	1,310	3,090	1,695
Wildlife - Big Game**	2,909	2,344	1,507	2,951	1,383
<b>Total Claims Registered</b>	<b>16,701</b>	<b>16,712</b>	<b>15,643</b>	<b>22,497</b>	<b>20,892</b>

\*Not all registered claims result in an inspection and/or payable loss.

\*\*Wildlife Claims include all claim types.

## Crop Insurance Overview

The Crop Insurance Program assists producers in managing their operations' production risk against natural hazards over the crop year. The following is a summary of the Crop Insurance Program that was available to producers from April 1, 2019, to March 31, 2020.

Visit [www.scic.ca](http://www.scic.ca) for more information.

### Establishment Benefit

The Establishment Benefit is a component of the core multi-peril contract of insurance. It covers crops that fail to adequately establish or suffer significant damage due to insurable causes on or before June 20.

Establishment Benefit		
Crop Year	# of Claims Paid	Indemnity Paid
2015	2,049	\$ 47,660,380
2016	860	\$ 5,590,805
2017	808	\$ 9,011,175
2018	946	\$ 7,129,065
2019	923	\$ 12,389,710

\* This is for the grains program only.

### Gopher Damage Feature

During the establishment period, customers have two options for acres damaged by gophers: an Establishment Benefit or the Gopher Damage Feature. This feature provides \$50 per acre for acres destroyed by gophers on or before June 20.

Gopher Damage Feature		
Crop Year	# of Claims Paid	Indemnity Paid
2015	15	\$ \$11,350
2016	18	\$ \$16,400
2017	35	\$ \$39,050
2018	21	\$ \$9,750
2019	29	\$ 59,300

### Unseeded Acreage

The Unseeded Acreage feature is included with multi-peril insurance coverage and all insured producers have this protection for land that is too wet to seed. Acres normally seeded and remain unseeded on June 20 are eligible for a claim, subject to a five per cent deductible on each quarter of land with acres too wet to seed. Customers may select \$50, \$70, \$85 or \$100 per acre coverage.

Unseeded Acreage		
Crop Year	# of Claims Paid	Indemnity Paid
2015	2,957	\$ 16,617,871
2016	1,253	\$ 3,860,003
2017	2,139	\$ 27,168,120
2018	433	\$ 2,795,790
2019	24	\$ 37,645

## Irrigation Coverage

Coverage is higher and premium rates are lower for irrigated crops than for dryland crops, reflecting the higher average yields and reduced risk.

Irrigation Option Historical Participation	
Year	Insured Acres
2015	45,690
2016	48,023
2017	46,808
2018	48,933
2019	58,076

### Organic Option

Organic coverage for production losses is available for certified organic producers. Organic prices are set higher than commercial crops based on markets; yields are reduced and premium rates are higher to reflect increased risk.

Organic Crop Option Historical Participation	
Year	Insured Acres
2015	196,860
2016	214,337
2017	222,206
2018	303,341
2019	307,902

### Diversification Option

The Diversification Option is available for crops and varieties not insurable under the core multi-peril insurance program.

Diversification Option Historical Participation	
Year	Insured Acres
2015	15,180
2016	17,091
2017	16,278
2018	28,014
2019	25,492

### Pedigreed Seed Option

Pedigreed Seed Crops provide a higher price option and a quality adjustment if the germination for the seed produced is below certified seed standards.

Pedigreed Crop Option Historical Participation	
Year	Insured Acres
2015	156,737
2016	155,372
2017	142,546
2018	154,799
2019	145,972

## Crop Averaging Program

Customers who select the Crop Averaging Program at 50, 60, 70 or 80 per cent, choose to group all eligible crops together and receive higher coverage compared to insuring each crop separately, for the same premium.

Crop Averaging Program								
Year	Contracts	Endorsements	Acres	Liability	Claims	Premium	Indemnity	Loss Ratio
2015	80	274	249,208	\$ 59,542,397	37	\$ 4,812,860	\$ 2,823,054	0.59
2016	102	359	352,740	\$ 104,434,785	27	\$ 8,758,844	\$ 4,262,501	0.49
2017	204	679	579,963	\$ 153,264,842	79	\$ 10,699,499	\$ 12,934,418	1.21
2018	322	1,160	1,080,861	\$ 277,318,996	129	\$ 20,416,455	\$ 7,285,169	0.36
2019	385	1,445	1,446,933	\$ 368,826,316	120	\$ 24,797,770	\$ 13,168,247	0.53

## Vegetable Insurance Program

Vegetable insurance is an acreage loss insurance program; individual production is not measured. Indemnities are paid for acres damaged to the extent that the customer agrees to destroy those acres.

Vegetable Insurance Program								
Year	Contracts	Endorsements	Acres	Liability	Claims	Premium	Indemnity	Loss Ratio
2015	6	12	125	\$ 281,102	-	\$ 37,410	\$ -	-
2016	5	9	112	\$ 252,567	-	\$ 32,926	\$ -	-
2017	4	8	111	\$ 250,061	-	\$ 32,501	\$ -	-
2018	4	9	55	\$ 123,572	1	\$ 15,639	\$ 92,313	5.90
2019	5	5	43	\$ 97,558	1	\$ 13,821	\$ 77,755	5.63

## Honey Production Insurance Program

Beekeepers are offered individual coverage based on 10 years of verifiable production information and can select coverage at 50, 60 or 70 per cent of their average yield.

Honey Production Insurance Program								
Year	Contracts	Endorsements	Hives	Liability	Claims	Premium	Indemnity	Loss Ratio
2015	2	2	411	\$ 118,553	-	\$ 5,606	-	-
2016	1	1	316	\$ 59,403	-	\$ 3,501	-	-
2017	-	-	-	\$ -	-	\$ -	-	-
2018	1	1	110	\$ 18,193	-	\$ 454	-	-
2019	-	-	-	\$ -	-	\$ -	-	-

## Bee Mortality Program

Coverage is provided for overwintering losses due to insurable perils such as adverse weather, disease and pest infestations for those registered with the Saskatchewan Beekeepers Development Commission and have a minimum of 100 colonies.

Bee Mortality Program								
Year	Contracts	Endorsements	Hives	Liability	Claims	Premium	Indemnity	Loss Ratio
2015	28	28	25,967	\$ 3,762,000	6	\$ 193,973	\$ 200,520	1.03
2016	26	26	19,734	\$ 3,097,965	4	\$ 153,925	\$ 73,125	0.48
2017	23	23	19,564	\$ 3,228,955	16	\$ 130,345	\$ 686,955	5.27
2018	24	24	24,770	\$ 4,150,635	9	\$ 127,070	\$ 392,165	3.09
2019	27	27	29,188	\$ 4,821,600	-	\$ 149,734	\$ -	-

\* Bee Mortality Claims are payable in the following year of insurance.

## Fruit Tree Program

The Fruit Tree Program provides coverage for the loss of fruit trees due to natural perils.

Fruit Tree Program								
Year	Contracts	Endorsements	Trees	Liability	Claims	Premium	Indemnity	Loss Ratio
2015	3	4	13,645	\$ 88,687	-	\$ 4,415	\$ -	-
2016	3	4	20,291	\$ 118,792	-	\$ 5,917	\$ -	-
2017	3	5	21,224	\$ 116,998	-	\$ 5,829	\$ -	-
2018	2	4	17,600	\$ 168,823	-	\$ 7,066	\$ -	-
2019	2	5	19,236	\$ 227,940	-	\$ 6,921	\$ -	-

## Forage Insurance Program

This program provides production loss insurance on tame hay, greenfeed, dehydrated alfalfa, sweetclover and export Timothy hay.

Forage Insurance Program (Multi-Peril) Historical Statistics								
Year	Number of Contracts	Number of Endorsements	Number of Endorsements Receiving Indemnity	Acres Insured	Liability	Total Premium	Indemnity	Loss Ratio
2015	1,061	1,194	395	222,528	\$ 17,242,516	\$ 1,744,123	\$ 3,475,709	1.99
2016	1,455	1,685	218	384,022	\$ 40,884,246	\$ 4,223,130	\$ 2,977,206	0.70
2017	1,162	1,328	470	269,061	\$ 21,379,890	\$ 2,244,337	\$ 3,472,662	1.55
2018	1,417	1,647	613	368,924	\$ 36,273,112	\$ 3,979,664	\$ 5,499,522	1.38
2019	1,670	1,980	493	446,588	\$ 47,333,477	\$ 5,100,797	\$ 5,537,688	1.09

\*Includes Forage Diversification.  
 \*\* Forage indemnities have been restated to include subsequent indemnities for forage establishment claims paid in the current year.

## Wild Rice Insurance Program

This program is an area-based insurance program; coverage is based on the region in which a producer harvests. Claims are triggered when a region's reported annual production is less than the average historical production.

Wild Rice Insurance Program								
Year	Contracts	Endorsements	Acres	Liability	Claims	Premium	Indemnity	Loss Ratio
2015	41	41	5,547	\$ 157,164	-	\$ 16,541	\$ -	-
2016	38	38	5,253	\$ 136,589	8	\$ 13,513	\$ 12,569	0.93
2017	38	38	5,253	\$ 162,514	38	\$ 18,299	\$ 104,438	5.71
2018	36	36	5,065	\$ 172,089	36	\$ 23,258	\$ 94,406	4.06
2019	37	37	5,386	\$ 188,841	8	\$ 29,815	\$ 1,850	0.06

## Weather-Derivative Programs

The Saskatchewan Crop Insurance Corporation has two weather-derivative programs where claims are not based on individual production but on data gathered at selected weather stations. Forage Rainfall Insurance Program protects grazing acres against below-average seasonal precipitation. Corn Heat Unit Program insures feed and grain corn producers against a lack of required heat units over the growing season. Corn Rainfall Program covers lack of moisture in corn acres.

Forage Rainfall Insurance Program								
Year	Contracts	Endorsements	Acres	Liability	Claims	Premium	Indemnity	Loss Ratio
2015	542	829	630,761	\$ 8,629,207	779	\$ 1,124,052	\$ 5,421,425	4.82
2016	824	1,275	1,317,774	\$ 22,704,866	258	\$ 3,227,412	\$ 1,173,068	0.36
2017	712	1,102	1,037,300	\$ 14,737,097	725	\$ 2,014,239	\$ 4,349,768	2.16
2018	898	1,391	1,511,936	\$ 24,798,578	1,119	\$ 3,586,530	\$ 10,475,444	2.92
2019	1,227	1,929	2,188,442	\$ 59,083,250	1,570	\$ 9,432,903	\$ 16,811,441	1.78

Corn Heat Unit Program								
Year	Contracts	Endorsements	Acres	Liability	Claims	Premium	Indemnity	Loss Ratio
2015	50	50	10,044	\$ 1,886,480	-	\$ 133,478	\$ -	-
2016	61	61	11,915	\$ 2,294,880	-	\$ 200,569	\$ -	-
2017	44	44	8,795	\$ 1,784,960	-	\$ 136,679	\$ -	-
2018	82	82	14,230	\$ 2,761,600	17	\$ 277,857	\$ 79,307	0.29
2019	77	77	8,527	\$ 2,229,800	7	\$ 185,817	\$ 140,100	0.75

Corn Rainfall Program								
Year	Contracts	Endorsements	Acres	Liability	Claims	Premium	Indemnity	Loss Ratio
2019	178	178	27,931	\$ 7,248,700	37	\$ 827,872	\$ 444,978	0.54



## Historical Premium Cost Sharing and Coverage Levels

Percentage of Acreage by Coverage Level				
Year	50%	60%	70%	80%
2010	14%	10%	40%	36%
2011	16%	10%	38%	36%
2012	17%	10%	39%	34%
2013	16%	9%	39%	36%
2014	17%	10%	38%	35%
2015	15%	9%	38%	38%
2016	13%	8%	35%	44%
2017	13%	9%	35%	43%
2018	10%	7%	36%	47%
2019	9%	7%	36%	48%

Weighted Average Coverage Level	
Year	Average Coverage Level
2010	70%
2011	69%
2012	69%
2013	69%
2014	69%
2015	70%
2016	71%
2017	71%
2018	72%
2019	72%

Historical Premium Cost Sharing																		
Year	Total Premium			Base Premium			Buy-Up Premium			FRIP & ACWBP Premium			High Cost Coverage			Admin Costs		
	Prod	Fed	Prov	Prod	Fed	Prov	Prod	Fed	Prov	Prod	Fed	Prov	Prod	Fed	Prov	Fed	Prov	
1961-66	80.0%	20.0%	0.0%													50%	50%	
1967-72	75.0%	25.0%	0.0%													50%	50%	
1973-89	50.0%	50.0%	0.0%													0%	100%	
1990-96	50.0%	25.0%	25.0%	*												50%	50%	
1997	42.2%	28.9%	28.9%	20%	40%	40%	60%	20%	20%							50%	50%	
1998	39.0%	30.5%	30.5%	20%	40%	40%	50%	25%	25%							50%	50%	
1999	39.0%	30.5%	30.5%	20%	40%	40%	50%	25%	25%							50%	50%	
2000	29.2%	42.5%	28.3%	◇	10%	54%	36%	40%	36%	24%						50%	50%	
2001	29.7%	35.2%	35.2%	10%	45%	45%	40%	30%	30%							50%	50%	
2002	36.8%	27.4%	35.8%	§	19%	36%	45%	48%	22%	30%	37%	28%	35%			50%	50%	
2003	36.0%	38.4%	25.6%	19%	49%	32%	48%	31%	21%	37%	38%	25%				60%	40%	
2004	37.2%	37.7%	25.1%	20%	48%	32%	50%	30%	20%	37%	38%	25%	67%	20%	13%	^	60%	40%
2005	37.8%	37.2%	24.9%	23%	46%	31%	50%	30%	20%	38%	37%	25%	67%	20%	13%	^	60%	40%
2006	40.0%	36.0%	24.0%							40%	36%	24%	67%	20%	13%	^	60%	40%
2007	40.0%	36.0%	24.0%							40%	36%	24%	67%	20%	13%	^	60%	40%
2008	40.0%	36.0%	24.0%							40%	36%	24%	67%	20%	13%	^	60%	40%
2009	40.0%	36.0%	24.0%							40%	36%	24%	67%	20%	13%	~	60%	40%
2010	40.0%	36.0%	24.0%							40%	36%	24%	67%	20%	13%	~	60%	40%
2011	40.0%	36.0%	24.0%							40%	36%	24%	67%	20%	13%	~	60%	40%
2012	40.0%	36.0%	24.0%							40%	36%	24%	67%	20%	13%	~	60%	40%
2013	40.0%	36.0%	24.0%							40%	36%	24%	67%	20%	13%	~	60%	40%
2014	40.0%	36.0%	24.0%							40%	36%	24%	67%	20%	13%	~	60%	40%
2015	40.0%	36.0%	24.0%							40%	36%	24%	67%	20%	13%	~	60%	40%
2016	40.0%	36.0%	24.0%							40%	36%	24%	67%	20%	13%	~	60%	40%
2017	40.0%	36.0%	24.0%							40%	36%	24%	67%	20%	13%	~	60%	40%
2018	40.0%	36.0%	24.0%							40%	36%	24%	67%	20%	13%	~	60%	40%
2019	40.0%	36.0%	24.0%							40%	36%	24%	67%	20%	13%	~	60%	40%

\* In 1992 only, the provincial government paid 41⅓ per cent, producers 33⅓ per cent, and the federal government 25 per cent of the incremental premium between 70 and 80 per cent coverage.

◇ For 2000 only, the federal government paid 60 per cent of government premiums

§ Projected Overall cost sharing. Also applied to Forage Rainfall Insurance Program (FRIP) and Annual Crop Weather Based Insurance Program (ACWBP).

^ The cost sharing for high cost coverage is established under the *Growing Forward 2 Agreement*. It applied to the Enhanced Top-Up Option under the Annual Crop Weather Based Insurance Program as the coverage was considered to be above the level provided under the comprehensive cost-sharing provisions of the Agricultural Policy Framework.

~ The Enhanced Irrigation Pilot is High Cost Coverage; however, the provincial government contributes the additional premium reducing the customer premium share to 40 per cent.

# Appendix 4: Western Livestock Price Insurance Program (WLPIP)

## Statistical Highlights

As of March 31, 2020

		2019-20	2018-19	2017-18	2016-17	2015-16
<b>Financial</b>						
Total Liability	(L)	\$ 223.7 M	\$ 231.5 M	\$ 241.3 M	\$ 164.9 M	\$ 183.8 M
Total Premium	(P)	\$ 4.01 M	\$ 3.75 M	\$ 6.28 M	\$ 4.02 M	\$ 1.93 M
Total Indemnities	(I)	\$ 3.12 M	\$ 2.35 M	\$ 1.07 M	\$ 6.11 M	5.77 M
Net Loss Ratio	(I/P)	0.78	0.62	0.17	1.52	2.99
<b>Reinsurance</b>						
Reinsurance premium paid		\$ 2.19 M	\$ 2.20 M	\$ 2.79 M	\$ 0.54 M	\$ 0.3 M
Reinsurance recovery		\$ 1.71 M	\$ 1.29 M	\$ 0.67 M	\$ -	\$ 1.75 M
<b>Participation</b>						
Total Producers Enrolled		3,330	3,100	2,959	2,554	2,152
Total Policies Purchased		1,299	1,690	1,865	1,425	1,051

### Western Calf Price Insurance Program

Year	Policies	Liability	Claims	Premium	Indemnity	Loss Ratio
2015-16	886	\$ 154,078,144	656	\$ 1,314,368	\$ 5,082,783	3.87
2016-17	1,238	\$ 131,354,728	667	\$ 2,999,109	\$ 6,078,596	2.03
2017-18	1,680	\$ 202,106,420	118	\$ 5,202,672	\$ 405,187	0.08
2018-19	1,465	\$ 179,425,370	1467	\$ 2,729,133	\$ 928,835	0.34
2019-20	1,012	\$ 136,934,188	879	\$ 2,121,926	\$ 2,096,661	0.99

See accompanying notes for calf price insurance participation statistics

### Western Feeder Price Insurance Program

Year	Policies	CWT Insured	**Head Insured Participation %	Liability	Claims	Premium	Indemnity	Loss Ratio
2015-16	159	130,060	15,301	2.0%	\$ 27,812,148	47	\$ 565,338 \$ 600,123	1.06
2016-17	131	138,115	16,249	2.2%	\$ 21,356,690	11	\$ 681,767 \$ 30,082	0.04
2017-18	157	167,369	19,690	2.6%	\$ 30,719,454	51	\$ 856,550 \$ 500,651	0.58
2018-19	183	215,034	25,298	3.4%	\$ 39,389,664	186	\$ 847,757 \$ 782,642	0.92
2019-20	195	318,522	37,473	5.0%	\$ 58,695,206	87	\$ 1,288,940 \$ 795,500	0.62

\*\*Head Insured is an estimate of the amount of 850lb feeder animals represented from the CWT Insured.

### Western Fed Price Insurance Program

Year	Policies	CWT Insured	**Head Insured Participation %	Liability	Claims	Premium	Indemnity	Loss Ratio
2015-16	6	12,050	893	0.9%	\$ 1,957,300	6	\$ 50,491 \$ 83,087	1.65
2016-17	56	96,269	7,131	7.1%	\$ 12,251,314	-	\$ 334,693 \$ -	-
2017-18	28	60,245	4,463	4.5%	\$ 8,460,628	5	\$ 220,260 \$ 160,640	0.73
2018-19	42	71,908	5,327	5.3%	\$ 11,129,320	42	\$ 171,117 \$ 638,778	4
2019-20	92	178,733	13,239	13.2%	\$ 28,083,542	7	\$ 603,133 \$ 224,102	0.37

\*\*Head Insured is an estimate of the amount of 1,350lb finished animals represented from the CWT Insured.

WLPIP Notes:

1. Statistics are attributed to the program year in which the policy is purchased.
  2. Private reinsurance was purchased to protect WLPIP against excess losses.
  3. The 2019-20 reinsurance is estimated to be 1.71 M, based on the indemnity of 3.12 M. The 2018-19 reinsurance recovery was finalized at 1.29 M, as indemnity paid ended at 2.35 M.
  4. Interest is not included.
  5. Due to the Calf program running from February to May and spanning two fiscal years, it is difficult to get a meaningful measure of cow/calf sector participation by only considering the fiscal year statistics. To measure cow/calf sector participation the portion of the calf crop insured in the February to May Calf sales season is compared to the province's total marketable calf crop.
- In February to May 2015, approximately 119,000 calves were insured representing 14.9 per cent of the marketable calf crop.
  - In February to May 2016, approximately 96,000 calves were insured representing 12 per cent of the marketable calf crop.
  - In February to May 2017, approximately 176,000 calves were insured representing 22 per cent of the marketable calf crop.
  - In February to May 2018, approximately 119,000 calves were insured representing 15 per cent of the marketable calf crop.
  - In February to May 2019, approximately 136,000 calves were insured representing 17 per cent of the marketable calf crop.

## Appendix 5: Wildlife Damage Compensation Program

Saskatchewan Crop Insurance Corporation administers the Wildlife Damage Compensation Program under the *Canadian Agriculture Partnership* agreement on behalf of the federal and provincial governments.

Funding for crop and predation losses is cost shared 60 per cent by the federal government and 40 per cent by the provincial government for 80 per cent of the compensation. The remaining 20 per cent has been provided through an increased investment from the Government of Saskatchewan.

Crop Damage				
Fiscal Year	Waterfowl Claims	Waterfowl Comp. Paid	Big Game Claims	Big Game Comp. Paid
15-16	1,457	\$ 9,146,698	965	\$ 4,103,584
16-17	1,754	\$ 13,361,796	1,216	\$ 5,780,355
17-18	2,190	\$ 18,800,072	2,237	\$ 11,762,288
18-19	1,294	\$ 11,055,904	1,586	\$ 8,005,452
19-20	1,048	\$ 7,585,317	2,106	\$ 12,508,372
Average	1,186	\$ 4,338,755	1,245	\$ 4,553,170
5 Year Average	1,549	\$ 11,989,957	1,622	\$ 8,432,010

Predation Damage		
Fiscal Year	Predation Claims	Predation Comp. Paid
15-16	2,190	\$ 1,542,822
16-17	2,188	\$ 1,552,747
17-18	1,138	\$ 1,439,772
18-19	2,294	\$ 2,462,925
19-20	2,093	\$ 2,265,812

As part of the Saskatchewan Crop Insurance Corporation's administration of the Wildlife Damage Compensation Program support is provided for preventative measures.

Prevention Programming	
Fiscal Year	Prevention expenditures
15-16	\$ 453,721
16-17	\$ 487,769
17-18	\$ 343,668
18-19	\$ 392,058
19-20	\$ 448,747

# Appendix 6: Crop Insurance Participation and Loss Experience

## Annual Grains Crops - Multi-Peril Program Only

Crop Year	Number of Customers	Liability (\$)	Average Customer Liability (\$)	Customer Net Premium (\$)	Total Net Premium (\$)
2010-11	23,023	2,634,421,601	114,426	140,232,329	350,655,798
2011-12	23,612	3,870,361,504	163,915	195,073,854	487,684,626
2012-13	23,017	4,478,123,518	194,557	237,529,746	593,824,216
2013-14	22,428	5,310,808,709	236,794	276,264,904	690,662,225
2014-15	21,247	4,204,365,442	197,880	205,299,300	514,525,712
2015-16	19,953	4,855,998,767	243,372	195,599,274	488,998,503
2016-17	19,247	6,202,848,393	322,276	246,546,059	616,365,301
2017-18	18,546	5,925,569,478	319,507	228,058,310	570,145,751
2018-19	18,126	5,997,404,486	330,873	233,921,233	584,803,168
2019-20	17,361	6,114,155,334	352,178	214,801,434	537,003,536

Crop Year	Average Customer Premium (\$)	Average Customer Rate (%)	Number of Indemnities Paid	Indemnity Amount (\$)	Loss to Premium Ratio (By Year)	Loss to Premium Ratio (Accumulated)
2010-11	6,091	5.3	27,960	455,490,415	1.30	1.01
2011-12	8,262	5.0	22,231	470,129,736	0.96	1.01
2012-13	10,320	5.3	23,756	398,342,973	0.67	0.98
2013-14	12,318	5.2	9,510	130,824,530	0.19	0.92
2014-15	9,663	4.9	17,255	311,914,749	0.61	0.90
2015-16	9,803	4.0	12,203	258,960,081	0.53	0.88
2016-17	12,810	4.0	10,084	641,694,410	1.04	0.89
2017-18	12,297	3.8	8,993	176,225,103	0.31	0.86
2018-19	12,905	3.9	7,911	240,710,157	0.41	0.83
2019-20	12,893	3.7	6,545	222,833,983	0.40	0.81

This does not include Forage Insurance, Wildrice, Honey, Vegetable, Fruit Tree, Bee Mortality, Crop Averaging Program or Weather Derivative Programs.

Premium includes premiums from producers and premium contributions by the Governments of Canada and Saskatchewan.

# Appendix 7: Insured Acres by Crop

	Crop	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
<b>CEREALS</b>	Hard Red Spring	4,811,537	5,240,759	5,618,603	6,245,054	5,638,154	5,139,649	4,463,142	4,782,661	5,747,031	6,344,428
	Durum	2,037,441	2,590,722	3,222,412	3,317,696	2,991,608	3,586,656	3,613,097	2,816,460	3,799,779	3,067,535
	Barley	1,184,114	1,438,496	1,765,002	1,577,322	1,251,642	1,603,483	1,652,799	1,398,999	1,674,070	2,079,388
	Oats	297,630	838,341	684,112	1,042,010	710,381	966,055	703,591	836,972	719,176	808,196
	Fall Rye	21,160	21,559	42,119	21,114	21,827	26,389	48,857	20,586	13,499	28,354
	Extra Strong Red	6,311	7,343	5,478	1,793		134	770			
	Hard White Spring	42,122	20,031	22,866	28,216	18,369	6,836	6,349	13,963	7,243	7,300
	Spring Rye	1,019	638	1,275	1,510	2,633	3,799	1,517	527	1,107	2,235
	Triticale	15,592	6,022	7,332	9,690	13,784	8,963	10,153	5,609	7,996	12,798
	Winter Wheat	98,382	128,693	368,065	200,225	190,604	110,576	115,341	114,523	40,227	31,517
	Canada Prairie Spring	408,726	392,598	542,636	979,497	741,142	510,644	571,410	347,547	388,008	382,646
	Khorasan Wheat	14,824	13,724	30,565	19,423	17,000	16,476	21,557	26,660	11,121	12,640
	<b>OILSEEDS</b>	Flax	481,297	373,790	576,775	694,150	995,600	1,077,273	596,909	637,771	491,248
Canola		5,185,100	7,240,986	7,887,330	7,119,165	7,460,473	7,419,867	7,686,223	9,013,388	8,891,115	8,685,714
Identity-Preserved Canola		718,088	813,329	1,301,624	1,500,766	1,229,787	1,049,944	1,225,040	1,222,494	1,047,214	921,948
Sunflowers*		4,854	875	7,103	4,992	4,586	7,393	4,573	5,664	6,098	5,802
Yellow Mustard		99,351	57,913	87,798	72,578	118,191	86,792	145,645	74,002	91,551	79,748
Brown Mustard		40,634	31,087	44,403	59,114	93,344	39,202	48,957	62,968	100,944	79,075
Oriental Mustard		73,099	47,228	28,454	19,853	32,032	43,147	72,864	41,952	51,105	28,650
Coriander		16,266	2,775	4,990	5,462	14,268	14,946	5,428	5,518	3,830	5,926
Caraway		2,222	3,243	2,038	1,276	741	278	1,550	3,127	3,185	981
Camelina		3,831		650	80	1,905	2,558	906	1,977	1,747	1,482
Field Peas		1,675,858	1,135,135	1,742,565	1,616,455	1,799,410	1,504,198	1,645,359	1,543,642	1,533,604	1,835,929
Lentil - Large Green		854,883	689,120	827,485	517,010	496,298	507,782	724,761	643,972	830,968	649,087
Lentils - Other		214,110	172,802	274,589	271,248	201,716	217,105	295,207	316,646	395,717	314,785
Lentils - Red	1,381,481	912,179	736,384	869,098	1,437,786	1,874,751	3,004,329	1,962,077	1,364,497	1,662,952	
Canary Seed	266,432	207,366	269,793	202,527	253,641	291,822	231,514	216,539	146,677	164,495	
<b>PULSES</b>	Fababeans	135	2,969	4,906	4,060	13,266	31,668	39,552	39,291	28,654	40,239
	Dry Bean Black (Irr)									211	
	Dry Bean Pinto (Irr)	2,022	2,234	4,151	5,826	5,350	3,255	1,679	4,251	2,963	716
	Dry Bean Other (Irr)	558	324	262	308	1,655	440	245	820	1,915	2,250
	Dry Bean Black (Dry)									155	105
	Dry Bean Pinto (Dry)										154
	Dry Bean Navy (Dry)	686	180	546		380	80			107	
	Desi Chickpeas	9,547	410	2,168	8,503	2,987	419	1,162	2,003	3,603	2,917
	Kabuli (Large Seed)	60,876	17,819	64,401	50,081	52,936	35,653	75,470	78,228	236,209	224,882
	Kabuli (Small Seed)	61,692	21,966	56,936	27,878	11,989	9,288	16,164	11,290	26,601	21,925
<b>SPECIALTY</b>	Soybeans	4,403	2,601	28,026	111,892	200,633	199,416	178,285	553,310	289,991	99,156
	Alfalfa Seed	32,334	28,439	23,720	24,466	24,854	29,853	36,275	34,898	30,344	17,954
	Processing Potato	1,101	1,447	1,355	1,181	1,040	989	607	610	747	770
	Seed Potato	109	150	387	86	69	143	198	148	76	
	Diversification	4,862	6,623	15,872	19,322	21,707	15,180	17,091	15,278	19,014	25,492
	Winterkill Acres	91,416	103,445	331,169	200,657	168,404	99,431	109,983	102,184	45,160	47,087
	Wild Rice	20,420	18,209	16,242	6,733	6,134	5,241	5,241	5,253	5,065	5,386
	Grain Corn					11,004	7,512	8,457	8,725	11,314	6,863
	Hemp Grain						14,513	5,627	18,983	3,983	7,448
	Total Acres	20,246,525	22,593,600	26,652,587	26,858,317	26,259,330	26,569,799	27,393,884	26,991,516	28,074,869	28,265,648
Average**	871	949	1,149	1,189	1,228	1,323	1,413	1,436	1,518	1,588	
# of Contracts	23,234	23,800	23,193	22,584	21,386	20,081	19,390	18,791	18,490	17,796	

\*Sunflower includes sunwheat and sunola

\*\*Average (acres per contract) does not include LFIP contacts

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#119-110 Souris Ave. N.E.  
Weyburn, SK S4H 2Z8

### **Yorkton**

38 5th Ave. N.  
Yorkton, SK S3N 0Y8

### **Crop Insurance**

Toll-free: 1-888-935-0000  
Fax: (306) 728-7202  
E-mail: [customer.service@scic.ca](mailto:customer.service@scic.ca)

### **AgriStability**

Toll-free: 1-866-270-8450  
Fax: 1-888-728-0440  
E-mail: [agristability@scic.ca](mailto:agristability@scic.ca)

### CUSTOMER SERVICE OFFICE HOURS:

8:00 a.m. to 5:00 p.m. – Closed weekends and statutory holidays



### HEAD OFFICE:

Box 3000 484 Prince William Drive Melville, SK S0A 2P0

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