

Newfoundland and Labrador Crop Insurance

Activity Plan

April 1, 2023 – March 31, 2026



Chairperson's Message

Honourable Elvis Loveless
Minister of Fisheries, Forestry and Agriculture
Petten Building
P.O. Box 8700
St. John's, NL A1B 4J6

Dear Minister:

I am pleased to submit the 2023-2026 Activity Plan for the Newfoundland and Labrador Crop Insurance Agency (the NLCIA). As a category three entity under the **Transparency and Accountability Act**, this plan meets the requirements of the Act and covers the period from April 1, 2023, to March 31, 2026.

The NLCIA is committed to supporting horticulture producers of the province by administering a crop insurance program.

The strategic directions of Government related to the Department of Fisheries, Forestry and Agriculture (FFA) have been considered in the preparation of this plan, as well as government's commitment to increasing the province's food self-sufficiency in non-supply managed commodities.

My signature below is on behalf of the NLCIA and indicative of the NLCIA's accountability for the preparation of this plan and achievement of its annual objective.

Respectfully submitted,



Cynthia MacDonald, P. Ag.
Chairperson

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Overview

The NLCIA is a Crown Corporation of the Government of Newfoundland and Labrador. Effective April 1, 2023, officials from both the Provincial and Federal governments entered into the five-year Sustainable Canadian Agricultural Partnership Multilateral Framework Agreement. A subsection of this agreement states the parameters of, and allows for the cost-sharing of, the AgrilInsurance program. The NLCIA provides an affordable and effective AgrilInsurance program for vegetable producers and operates within the **Crop Insurance Act** (the Act).

Subsection 3(2) of the Act provides for the membership of the NLCIA, which shall consist of not less than three and not more than seven members appointed by the Lieutenant-Governor in Council. Appointments are made using a merit-based process; however, gender balance is considered during the appointment process and efforts are made to ensure the NLCIA is representative of the population it serves. The NLCIA presently consists of the following Board members:

- Cynthia MacDonald - Chairperson, Director of Agriculture Business Development Division, FFA
- Janice Gill - Vice-Chairperson, Provincial Representative
- Afton Lambert - Provincial Representative
- Melvin J. Rideout - Producer Representative
- Nathan Dennis - Producer Representative

The headquarters of the NLCIA is in Corner Brook. A branch office for Eastern region fieldwork is located at the Provincial Agriculture Building in St. John's, and this office services all locations east of the Bay D'Espoir highway. There is one other Western region office located in Pynn's Brook and this office services areas west of the Bay D'Espoir highway and Labrador.

The NLCIA operates under the umbrella of the FFA with an independent annual budget of approximately \$392,000. Expenses consist of salary payments for NLCIA employees, including program administration and field staff, as well as expenditures related to delivery of the program such as fuel costs and field supplies. Revenues are collected through premium payments from insured producers as well as provincial and federal government contributions toward insurance premiums. Specific revenues and expense details will be presented in the annual performance reports.

As the NLCIA is part of a National AgrilInsurance Program, the administration costs of the program are cost-shared on a 60:40 Federal-Provincial basis. The annual financial statements of the NLCIA are audited by the Office of the Auditor General of Newfoundland and Labrador.

Two Agricultural Inspectors employed with FFA assist the NLCIA with field inspections. Also, the Program Coordinator of the NLCIA is an employee of FFA.

AgrilInsurance premiums are paid on a cost-shared basis with producers paying 40 per cent, the Federal government paying 36 per cent and the Provincial Government paying 24 per cent. These premiums are deposited into a fund from which indemnities are drawn.

In 2021-22, there were 160 application packages mailed to eligible producers. Eleven producers with 156 acres of produce were enrolled in the AgrilInsurance program administered by the NLCIA. Through this program, \$9,578 in indemnities were approved for payment due to crop losses from natural perils.

Contact Information:

This plan is available in alternate format. For more information, please contact the NLCIA at:

Newfoundland and Labrador Crop Insurance Agency

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Corner Brook, NL A2H 6J8

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Web: <https://www.gov.nl.ca/ffa/programs-and-funding/programs/prodinsur/>

Mandate

The mandate of the NLCIA is to establish and carry out a crop insurance plan under the direction, supervision and control of the Minister of FFA. The NLCIA shall:

- Administer plans of crop insurance established under the Act or the Regulations;
- Conduct surveys and research programs relating to insurance and obtain statistics for the purposes of the NLCIA;
- Evaluate and determine crop losses and pay claims under a plan;
- Enter into agreements with or retain persons for the soliciting and receiving of applications for instance, the collecting of premiums and the adjusting of claims under plans for and on behalf of the NLCIA, and doing of other things on its behalf that the NLCIA considers necessary;
- Reinsure with another insurer the risk or a portion of it under a contract if necessary;
- Require an applicant for crop insurance or an insured person to provide the information, statements and reports that the NLCIA may require;
- Exercise powers and perform the duties that are conferred or imposed upon it under the Act or another Act;
- Perform the other functions and discharge the other duties that are assigned to it by the Lieutenant-Governor in Council; and

- Make the orders and directions that are necessary to enforce the observance of the Act, the Regulations or a plan.

Please refer to Annex A for the NLCIA's legislated mandate.

Primary Clients

The primary clients of the NLCIA are horticulture producers with eligible crops in Newfoundland and Labrador.

Lines of Business

The sole line of business of the NLCIA is the delivery of AgrilInsurance to horticulture producers in the province.

The AgrilInsurance program is voluntary and producers who decide to enroll each year do so by applying before the April 30 deadline. Currently, there are insurance plans in place for potato, cabbage, carrot (separate plans are available for carrot grown on mineral soil and peat land), parsnip, rutabaga and beet.

Vision

Through the AgrilInsurance program, the NLCIA protects investments in crop production. By easing the financial burden in times of crop loss, the AgrilInsurance program helps ensure resources are available for future generations and helps ensure prospects for future development. This contributes to the vision of FFA, stated as follows:

The vision of FFA is that of sustainable renewable resources that are responsibly developed for the social, cultural, ecological and economic well-being of the province.

Issue

This section of the plan outlines the key priority of the NLCIA for the period April 1, 2023, to March 31, 2026. The objective and associated indicators identified for the priority area apply to each year covered by the plan and will be reported on in relevant annual reports. As the focus of the NLCIA remains the same for the entire plan, the NLCIA will report on the same objective and indicators in all three years.

Issue: Management and Administration of the AgrilInsurance Program

The primary issue of the NLCIA is to deliver the AgrilInsurance plan to horticultural producers in the province who choose to participate and to assess the feasibility

of offering new insurance plans (i.e., for additional crop products), upon request by industry. The NLCIA is committed to supporting sustainability and best management practices within the provincial industry.

Objective: By March 31, 2024, the Newfoundland and Labrador Crop Insurance NLCIA will have delivered insurance plans to producers and helped support sustainability/best management practices on farms.

Indicators:

- Provide advisory services to producers, as required, regarding sustainability/ best management practices on farms such as crop rotation and/or green manure plans for participating producers.
- Reviewed applications and issued Contracts of Insurance to approved applicants within 30 days.
- Reviewed all claims and communicated decisions to applicants within 30 days
- Organized hearings as appeals are received and communicated decisions to appellants within 60 days.

Annex A: Legislated Mandate Under the Crop Insurance Act

Creation of NLCIA

3. (1) The corporation known as the Newfoundland and Labrador Crop Insurance Agency (NLCIA) established to carry out a crop insurance plan under the direction, supervision and control of the minister is continued.

(2) The membership of the NLCIA shall consist of not less than 3 and not more than 7 members to be appointed by the Lieutenant-Governor in Council.

(3) The Lieutenant-Governor in Council shall designate 1 of the members of the NLCIA to be chairperson and another to be vice-chairperson of the NLCIA.

(4) Members of the NLCIA shall hold office at the pleasure of the Lieutenant-Governor in Council.

(5) Three members of the NLCIA, 1 of whom shall be the chairperson or the vice-chairperson, shall constitute a quorum.

(6) Where at a meeting of the NLCIA, there is an equality of votes, the chairperson or vice-chairperson presiding at the meeting shall have a 2nd or a casting vote.

(7) Where a vacancy occurs in the membership of the NLCIA because of death, resignation or illness of a member, the Lieutenant-Governor in Council may appoint a person to replace him or her.

(8) Notwithstanding the **Legislative Disabilities Act**, where a member of the House of Assembly is or becomes a member of the NLCIA, his or her seat does not become vacant by reason only of the appointment and acceptance of remuneration as a member of the NLCIA.

(9) A member of the NLCIA shall be paid the salary, travelling expenses or other remuneration that the Lieutenant-Governor in Council may determine.

(10) The NLCIA, subject to the approval of the minister, may employ officers, inspectors, clerks, NLCIA representatives or other persons who are considered to be necessary and may pay those employees the salaries, travelling expenses and other remuneration that the Lieutenant-Governor in Council may determine.

Appointment of managing director

4. (1) The Lieutenant-Governor in Council shall appoint a managing director of the NLCIA and shall establish the terms and conditions of the employment, the salary, travelling expenses, and other remuneration of the managing director.

(2) The managing director shall be the chief executive and administrative officer of the NLCIA, and subject to control by the NLCIA, shall be responsible for the management and

direction of the NLCIA, the day to day administration of its affairs and shall have general supervision and authority over its employees.

Use of seal

5. (1) The NLCIA shall have a common seal and the application of it shall be certified by the chairperson or vice-chairperson of the NLCIA.

(2) A contract or instrument which, if entered into or executed by a person not being a corporation, would not be required to be under seal, may be entered into or executed on behalf of the NLCIA by a person generally or specially authorized by it for that purpose.

(3) A document purporting to be a document executed or issued under the seal of the NLCIA or on behalf of the NLCIA shall, until the contrary is proved, be considered to be a document so executed or issued.

Status of NLCIA

6. (1) The NLCIA is, for the purposes of this Act, an agent of the Crown under the control and direction of the minister and may exercise its powers under this Act only as an agent of the Crown.

(2) The NLCIA may, on behalf of the Crown, enter into contracts or other agreements and acquire and dispose of and otherwise deal with property in the name of the NLCIA.

(3) Notwithstanding that the NLCIA is an agent of the Crown, it may enter into contracts with the Crown and appoint agents to act on its behalf for any purpose and on the conditions that it considers necessary.

(4) Property of the NLCIA is the property of the Crown and title to it shall be vested in the name of the NLCIA.

(5) A member of the NLCIA or a person employed by the NLCIA does not become, because of the employment only, an officer or servant of the Crown.

Actions

7. Actions, suits or other legal proceedings in respect of a right or obligation acquired or incurred by the NLCIA may be brought by or against the NLCIA in the name of the NLCIA in a court as if the NLCIA were not an agent of the Crown.

Powers, functions and duties of NLCIA

8. (1) Included in the NLCIA's powers, functions and duties, shall be power to

(a) administer plans of crop insurance established under this Act or the regulations;

(b) fix by order and publish in the *Gazette* a final date in each year for the receipt of applications for insurance under a plan;

- (c) conduct surveys and research programs relating to insurance and obtain statistics for the purposes of the NLCIA;
- (d) evaluate and determine crop losses and pay claims under a plan;
- (e) enter into agreements with or retain persons for the soliciting and receiving of applications for insurance, the collecting of premiums and the adjusting of claims under plans for and on behalf of the NLCIA, and the doing of other things on its behalf that the NLCIA considers necessary;
- (f) reinsure with another insurer the risk or a portion of it under a contract;
- (g) require an applicant for crop insurance or an insured person to provide the information, statements and reports that the NLCIA may require;
- (h) exercise the powers and perform the duties that are conferred or imposed upon it under this or another Act;
- (i) perform the other functions and discharge the other duties that are assigned to it by the Lieutenant-Governor in Council; and
- (j) make the orders and directions that are necessary to enforce the observance of the Act, the regulations or a plan.

(2) An order and direction of the NLCIA made under this section may be made with retroactive effect.

Regulations of NLCIA

9. (1) Subject to the approval of the Lieutenant-Governor in Council, the NLCIA may make regulations

- (a) establishing, amending and revoking voluntary plans for the insurance within the province of insurable crops;
- (b) governing the terms and conditions of insurance under a plan;
- (c) designating perils for the purposes of a plan;
- (d) determining coverage and establishing values with respect to insurable crops for the purposes of a plan;
- (e) fixing premium rates and providing for the payment and collection of premiums in respect of a plan;
- (f) prescribing forms and terms of contracts and applications for a contract and providing for their use, and requiring information given in a form to be verified by statutory declaration;
- (g) requiring applicants for insurance and insured persons to provide the information, statements and reports that are prescribed;

- (h) designating insurable persons for the purposes of a plan;
 - (i) establishing the level of coverage in relation to average crop yield; and
 - (j) prescribing the method of notification and the form in which proof of crop loss shall be given and the information and details to be provided.
- (2) Regulations establishing or amending a plan may provide for 1 or more insurable crops and may apply to all of the province or to an area or location within the province.

Appeal board

10. (1) The minister may appoint an appeal board consisting of 3 persons, one of whom shall be designated as chairperson.

(2) At least one of the persons appointed under subsection (1) shall be a person who is or who has been engaged in the production of an insurable crop.

(3) Persons appointed under subsection (1) shall hold office at the pleasure of the minister.

(4) Each member of the appeal board has, in relation to the hearing and determination of a matter, all the powers that are or may be conferred upon a commissioner under the *Public Inquiries Act*.

(5) Subject to the approval of the minister, the members of the appeal board shall make rules of procedure to govern hearings of the appeal board.

Appeals

10.1 (1) An insured person may file an appeal in respect of

(a) an act of the NLCIA, its officers or agents, within 14 days of the disputed act; and

(b) a finding, order or decision of the NLCIA, its officers or agents, within 14 days of receiving notice of the finding, order or decision.

(2) An appeal is filed under subsection (1) by serving the chairperson of the appeal board and the chairperson of the NLCIA with a statement setting out in writing the grounds for the appeal.

(3) The chairperson of the NLCIA shall respond to an appeal filed under subsection (1) by serving a written response on the chairperson of the appeal board and on the appellant within 14 days of receiving the appeal.

(4) A decision of a majority of the members of the appeal board is final and binding.

Voluntary arbitration

10.2 (1) An insured person who files an appeal under section 10.1 and the chairperson of the NLCIA may agree to resolve the dispute by voluntary arbitration on those terms as are agreed by the parties.

(2) Where an agreement under subsection (1) provides that no appeal from the arbitration may be made to the appeal board, that provision is valid and the decision of the arbitration is final and binding.

Payment of money

11. All money required by this Act to be paid in respect of premiums under plans shall be paid to the NLCIA.

Establishment of fund

12. (1) The Newfoundland and Labrador Crop Insurance Fund, which is in the custody and control of the NLCIA on behalf of the Crown, is continued.

(2) The Minister of Finance, with the approval of the Lieutenant-Governor in Council and on the written requisition of the minister, may advance to the NLCIA for use as working capital those sums that may be stated in the requisition, but the total advances made in each financial year under this subsection shall not exceed \$100,000.

(3) From and out of the Consolidated Revenue Fund, with money appropriated for the purpose, the Minister of Finance, on the written requisition of the minister, shall pay to the NLCIA in each year an amount equal to

(a) the amount determined to be the cost to the NLCIA of administering this Act during that year, and for the purpose of the determination, the NLCIA shall not later than December 31 in a financial year, prepare, adopt and submit to the minister a budget containing estimates of all sums required by it during the next financial year for the administration; and

(b) a sum not less than 1/2 of the premiums payable under a contract.

(4) The NLCIA may receive and accept other sums of money that may be paid to it by way of grant, contribution or reimbursement from a source, if it receives the funds to help it in the attainment of its objects or in the proper exercise of its functions or to reimburse it for disbursements made by it or on its behalf.

(5) The NLCIA shall credit to the fund

(a) all money advanced or paid under subsections (2), (3) and (4);

(b) the total of all premiums received from contracts; and

(c) all other amounts received by the NLCIA.

(6) The NLCIA shall deposit and keep all amounts credited to the fund in a Canadian chartered bank.

Minute books and accounts

13. The NLCIA shall keep regular minutes of all its meetings and shall ensure that complete books of financial and other accounts and records are established and maintained.

Administration of fund

14. (1) The NLCIA shall administer the fund and pay from it all amounts required to be paid under this Act and the regulations, including expenses of administration, the salaries of the managing director and all other persons employed by the NLCIA or otherwise engaged for the administration of this Act.

(2) Notwithstanding another Act, the money in the fund does not form part of the Consolidated Revenue Fund, and the fund is not a division or part of the Consolidated Revenue Fund, but the money is the property of the Crown.

(3) The NLCIA may, and shall where so directed by the minister, pay to the Minister of Finance for investment on behalf of the NLCIA money in the fund not immediately required for expenditure, and the Minister of Finance may invest the money or part of it by any or all of the methods by which the Consolidated Revenue Fund may be invested.

(4) Money paid to the Minister of Finance for investment under subsection (3) shall form a trust or special fund and interest and earnings on it shall be credited to the account of the NLCIA, and the earnings, or a part of them, shall be paid over to the NLCIA by the Minister of Finance on the request of the NLCIA.

(5) The minister may authorize the Minister of Finance to realize sums invested under subsection (4) and sums so realized shall be paid to the NLCIA for the purposes of the administration of this Act.

Financial year

15. (1) The financial year of the NLCIA shall correspond to the financial year of the province.

(2) The NLCIA shall, not later than September 30 in each year, prepare and submit to the minister a financial statement setting out the assets and liabilities of the NLCIA and the receipts and expenditures of the NLCIA for the previous financial year, together with a report concerning the work of the NLCIA during the previous financial year, and the statement and report shall be laid before the Legislature within 15 days after they are submitted to the minister if the Legislature is then sitting, and, if not, then within 15 days after the beginning of the next session.

(3) The financial statement referred to in subsection (2) shall be signed by the managing director and 1 other member of the NLCIA and certified by the auditor general and shall have attached to it a report which the auditor general may have made to the NLCIA.

(4) The auditor general shall audit the accounts of the NLCIA and has authority to call for and shall be supplied by the NLCIA with all books and vouchers which he or she considers necessary for this audit.

(5) The Lieutenant-Governor in Council may require the NLCIA to provide those reports or the information respecting the business and operations of the NLCIA that he or she may direct.

Agreements with Canada

16. The minister may, with the approval of the Lieutenant-Governor in Council, enter into an agreement with the Government of Canada respecting any or all of the matters provided for in the **Crop Insurance Act** (Canada).

Non-application

17. Without prejudice to all rights, privileges, benefits or exemptions which may be vested by law in the NLCIA because of its being an agent under the control of the Crown, nothing contained in

(a) the **Insurance Adjusters Act**;

(b) the **Insurance Companies Act**; and

(c) the **Insurance Contracts Act** shall apply to the NLCIA or a matter or thing done under this Act or the regulations.

Source: <https://www.assembly.nl.ca/Legislation/sr/statutes/c39.htm>