



PRINCE EDWARD ISLAND
ÎLE-DU-PRINCE-ÉDOUARD

AGRICULTURAL INSURANCE ACT

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This document is *not* the official version of the Act. The Act and the amendments as printed under the authority of the King's Printer for the province should be consulted to determine the authoritative statement of the law.

For more information concerning the history of this Act, please see the *Table of Public Acts* on the Prince Edward Island Government web site (www.princeedwardisland.ca).

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AGRICULTURAL INSURANCE ACT

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AGRICULTURAL INSURANCE ACT

CHAPTER A-8.2

1. Definitions

In this Act

- (a) **“agreement”** means an agreement between the province and the Government of Canada for the provision of insurance schemes in the province;
- (b) **“Appeal Board”** means the Appeal Board established under section 14;
- (c) **“Board”** means the board of directors of the Corporation;
- (d) **“chairperson”** means the chairperson of the Board;
- (e) **“Corporation”** means the Prince Edward Island Agricultural Insurance Corporation established under section 2;
- (f) **“coverage level”** means the percentage of the probable yield of a crop in any risk area or in any farm enterprise that is insured under an insurance scheme;
- (g) **“crop”** means an agricultural product, including an agricultural product as defined in the Livestock Insurance Regulations (EC196/09), that is eligible to be insured under an insurance scheme;
- (h) repealed by *1995,c.2,s.1*;
- (i) **“Department”** means the Department of Agriculture;
- (j) repealed by *1995,c.2,s.1*;
- (k) **“insurance contract”** means a policy of insurance issued under an insurance scheme;
- (l) **“insurance plan”** means a set of insurance features for a crop under an insurance scheme;
- (m) **“insurance scheme”** means a scheme for the insurance of
 - (i) crops against losses from risk associated with production or marketing, or both,;
 - (ii) farm income against losses from risk associated with production, commodity price or livestock price fluctuations and input cost increases, or any combination of them;
- (n) **“Minister”** means the Minister of Agriculture;
- (o) **“regulations”** means regulations made under this Act;
- (p) repealed by *1995,c.2,s.1*; *1994,c.2,s.1*; *1995,c.2,s.1*; *1996,c.1,s.1*; *1997,c.20,s.3*; *2004,c.36,s.3*; *2009,c.73,s.2*; *2012,c.17,s.2*; *2015,c.28,s.3*; *2019,c.1,s.3*; *2023,c.12,s.1*; *2023,c.20,s.2*.

ADMINISTRATION

2. Establishment of Corporation

- (1) There is established a Crown Corporation to be called the Prince Edward Island Agricultural Insurance Corporation consisting of the members of the Board.

General powers

- (2) The Corporation has the same general powers as conferred upon companies incorporated under the *Companies Act* R.S.P.E.I. 1988, Cap. C-14 except where such powers are inconsistent with this Act.

Management

- (3) The Board shall manage the business and affairs of the Corporation.

Borrowing power

- (4) The Board may borrow from any chartered bank, trust company or credit union for the purposes of the Corporation.

Staff

- (5) The Minister shall provide such employees of the Department as are necessary to enable the Board to carry out its functions under this Act. *1994,c.2,s.2.*

3. Object

The object of the Corporation is to provide insurance schemes. *1994,c.2,s.3; 1995,c.2,s.2.*

4. Board composition and appointment

- (1) The Board shall consist of not fewer than 7 members and not more than 13 members appointed by the Minister of whom
- (a) one member shall be a representative of the Department of Agriculture;
 - (b) one member shall be a representative of the Department of Finance; and
 - (c) not fewer than five or more than eleven members shall be representatives of the private sector.

Transitional

- (1.1) For greater certainty, any person who is a member of the Board on the date this subsection comes into force continues to be a member of the Board until his or her current term of office expires or is sooner terminated by death, resignation or removal for cause.

Members

- (2) Repealed by *2010,c.1,s.1.*

Chairperson

- (3) The Minister shall appoint the chairperson from the private sector members of the Board.

Vice-chairperson

- (4) The vice-chairperson shall be selected by and from the members of the Board.

Term of office

- (5) The term of office of a member of the Board is three years and a member is eligible for *re*-appointment.

Substitute members

- (6) Where a member dies, resigns, or is removed from office for cause, the Minister may appoint a substitute member to serve the unexpired portion of the term of office of the member.

Remuneration

- (7) Members of the Board are entitled to receive such remuneration and expense allowances as the Lieutenant Governor in Council may determine. *1994,c.2,s.4; 1997,c.20,s.3; 2004,c.36,s.3; 2009,c.73,s.2; 2010,c.31,s.3; 2010,c.1,s.1; 2012,c.17,s.2; 2015,c.28,s.3; 2019,c.1,s.3; 2023,c.20,s.2.*

5. Meetings

- (1) The chairperson may call meetings of the Board at such times and places and upon such notice as he or she considers desirable.

Quorum

- (2) A quorum at a meeting of the Board is at least one-half of the number of the members of the Board in office.

Bylaws and policies

- (3) The Board may make bylaws and policies for its internal organization and the conduct of its operations. *1994,c.2,s.5; 2010,c.1,s.2.*

6. Powers

The Board may

- (a) establish and administer insurance schemes;
- (b) evaluate losses and pay claims under insurance schemes;
- (c) reinsure with any other insurer the risk of any portion thereof under its insurance contract;
- (d) conduct surveys and research programs and obtain statistics;
- (e) require an applicant or a client to furnish such information statements and reports as the Board may determine;
- (f) enter into insurance contracts with any person or agency of Canada relative to the objects of the Act;
- (g) generally administer through its own bylaws and policies the objects set out in this Act;
- (h) offer advice to the Minister on policy matters regarding safety net programs;
- (i) administer this Act and the regulations; and
- (j) perform such other functions as may be assigned by the Minister or are considered necessary to carry out the object of this Act. *1994,c.2,s.6; 1995,c.2,s.3.*

7. Fiscal year

The fiscal year with respect to programs administered under this Act is a period of twelve months beginning on April 1 in each year and ending on March 31 in the next succeeding year. *1994,c.2,s.7.*

8. Books and accounts

- (1) The books and accounts of the Corporation with respect to programs administered under this Act shall be audited from time to time and at least annually by a qualified auditor appointed by the Board.

Appointment of auditor

- (2) The Board may appoint a qualified auditor for the purposes of subsection (1). *1994,c.2,s.8; 2023,c.12,s.2.*

9. Annual report

- (1) Not later than June 30 in each year, a report by the Board on operations during the fiscal year ending on March 31 in that year shall be forwarded to the Minister who shall lay it before the Legislative Assembly if it is then in session, and, if it is not then in session, at the next ensuing session thereof within fifteen days of the opening thereof.

Other reports

- (2) The Lieutenant Governor in Council may require the chairperson to furnish such reports or information respecting the business and operations of the Corporation as the Lieutenant Governor in Council may direct, and the chairperson shall comply with the requisition. *1994,c.2,s.9.*

INSURANCE

10. Agreements with Canada

- (1) The province represented therein by the Minister, may, if so authorized by order of the Lieutenant Governor in Council, enter into an agreement with the Government of Canada as provided for in the *Farm Income Protection Act* (Canada) R.S.C. 1985, Chap. F-3.3 or any other Act of Canada.

Administration of scheme

- (2) At the request of the Minister, the Board may administer an insurance scheme provided for in an agreement. *1994,c.2,s.10; 1995,c.2,s.4.*

11. Crop insurance funds

The Department shall establish and maintain in a chartered bank, trust company or credit union a separate fund for each insurance scheme, to which shall be credited

- (a) contributions from the Government of Canada;
- (b) the amount of all premiums received on insurance contracts;
- (c) all other amounts received by the Board for insurance scheme purposes, but excluding grants for administration. *1994,c.2,s.11; 1995,c.2,s.5.*

12. Investment of monies in Fund

- (1) The Board may invest any monies in each fund or otherwise not required for expenditure but shall only invest in investments authorized under subsection 27(1) of the *Financial Administration Act* R.S.P.E.I. 1988, Cap. F-9.

Interest

- (2) Interest earned on investments made pursuant to subsection (1) shall be reinvested or be paid to each fund. *1994,c.2,s.12; 1995,c.2,s.6.*

13. Insurance contracts

Insurance contracts are not contracts of insurance within the meaning of the *Insurance Act* R.S.P.E.I. 1988, Cap. I-4 and the *Insurance Act* does not apply to any matter or thing done by or under this Act. *1994,c.2,s.13.*

APPEAL BOARD**14. Appeal Board**

- (1) For the purposes of this Act, the Minister shall appoint an Appeal Board composed of not fewer than three persons of whom
- (a) two shall be knowledgeable in regard to agriculture;
 - (b) one shall be a public accountant.

Chairperson

- (2) The Minister shall appoint a chairperson and vice-chairperson of the Appeal Board.

Term of office

- (3) The term of office of a member of the Appeal Board is three years and a member is eligible for *re*-appointment.

Substitutes

- (4) Where a member dies, resigns, or is removed from office for cause, the Minister may appoint a substitute member to serve the unexpired portion of the term of office of the member.

Remuneration

- (5) Members of the Appeal Board shall receive such remuneration and expenses as the Lieutenant Governor in Council may determine.

Procedure

- (6) Subject to adherence to the rules of natural justice, this Act and the regulations, in hearing an appeal, the Appeal Board shall determine all matters of procedure.

Decision final

- (7) Any decision of the Appeal Board is final and not subject to appeal. *1994,c.2,s.14.*

15. Appeal

Where any person is aggrieved by any final order or finding of the Board under the Act, that person may, within thirty days of issuance of such final order or finding, appeal to the Appeal Board. *1994,c.2,s.15.*

MISCELLANEOUS AND GENERAL

16. Regulations

- (1) The Board may, subject to the approval of the Lieutenant Governor in Council, make regulations for the administration of this Act and, in particular,
- (a) establishing, amending and revoking the principles applicable to insurance schemes within the province and governing the terms and conditions of insurance under any insurance scheme;
 - (b) establishing the coverage level of a crop;
 - (c) designating perils for the purpose of any insurance scheme;
 - (d) fixing the premium rates to be paid by insured persons in respect of insurance contracts and providing for the payment and collection of premiums in respect thereof;
 - (e) prescribing the forms of application for insurance schemes;
 - (f) requiring applicants for insurance schemes and insured persons to furnish such information, statements and reports as are prescribed;
 - (g) prescribing the method of notification of losses;
 - (h) determining coverage and establishing values with respect to insurable crops for the purposes of any insurance scheme;
 - (i) designating insurable persons for the purposes of any insurance scheme;
 - (j) designating the criteria for, or the descriptions of, an insurable crop;
 - (k) prescribing measures for the recovery of unpaid premiums under the insurance scheme;
 - (k.1) establishing an insurance scheme providing for an agricultural disaster insurance program;
 - (l) prescribing penalties for contravention of the regulations;
 - (m) defining the matters which may be appealed to the Appeal Board;
 - (n) providing for the appointment of arbiters to assist the Appeal Board;
 - (n.1) defining terms used but not defined in this Act;
 - (o) respecting any matter necessary or advisable to carry out effectively the intent and purpose of this Act.

Application of insurance scheme

- (2) A insurance scheme may apply to one or more insurable crops, and the insurance scheme or any provisions thereof may apply to all of Prince Edward Island or to any area within the province. *1994, c.2, s.16; 1995, c.2, s.7; 1996, c.1, s.2; 1998, c.1, s.1; 2023, c.12, s.3.*

17. Repeal

Repeal. *1994, c.2, s.17.*

18. Consequential amendments

Amendment. *1994, c.2, s.18.*

19. Existing corporations

- (1) In this section “**existing corporation**” means the Prince Edward Island Agricultural Development Corporation.

Transitional provisions

- (2) On the date this Act comes into force
- (a) the Corporation assumes responsibility for the management and administration of the programs of the existing corporation;
 - (b) the assets and liabilities of the existing corporation are transferred to and become the assets and liabilities of the Fund;
 - (c) all contracts and agreements entered into by the existing corporation are assumed by the Corporation and may be enforced by and against the Corporation as if it had been a party thereto instead of the existing corporation;
 - (d) all legal proceedings and rights of action by or against the existing corporation may be brought or continued by or against the Corporation;
 - (e) the policies, bylaws and regulations made by the existing corporation shall continue in force as if made by the Board pursuant to the powers conferred by this Act; and
 - (f) references in any enactment or document to the existing corporation shall be construed as a reference to the Corporation. *1994,c.2,s.19.*