



PRINCE EDWARD ISLAND  
**AGRICULTURAL**  
**INSURANCE**  
**CORPORATION**

# 2023-2024 **Annual Report**



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# P.E.I. Agricultural Insurance Corporation

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## Minister's Message



The Honourable Antoinette Perry  
Lieutenant Governor of Prince Edward Island

May it Please Your Honour:

I have the honour to submit herewith the Annual Report for the Prince Edward Island Agricultural Insurance Corporation, for the fiscal year ended March 31, 2024.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Bloyce Thompson". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Honourable Bloyce Thompson  
Minister of Agriculture

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## Chairperson's Message

The Honourable Bloyce Thompson  
Minister of Agriculture

Hon. Bloyce Thompson,

In accordance with the *Agricultural Insurance Act*, I enclose the Annual Report for the Prince Edward Island Agricultural Insurance Corporation, for the fiscal year ended March 31, 2024.

Respectfully submitted,

A handwritten signature in black ink that reads "Rodney Dingwell". The signature is written in a cursive style with a large, prominent initial 'R'.

Rodney Dingwell  
Chairperson of the Board  
July 25, 2024

# P.E.I. Agricultural Insurance Corporation

## Director's Message

Rodney Dingwell  
Chairperson of the Board

Mr. Dingwell,

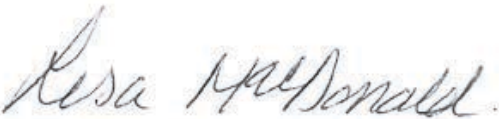
I would like to present our annual report for the fiscal year ending March 31, 2024. Our team at P.E.I.AIC is dedicated to offering quality programs to producers of PEI.

I would like to thank our resilient, flexible, and knowledgeable team that I am fortunate to work with every day. This year, producers experienced a wet summer that resulted in unexpected high toxins in grains that had not been experienced in approximately 10 years on PEI. Our team worked hard to make sure producers understood coverage under our programs, so that they could make the best decision for their farm.

We engaged in our actuarial certification this past year, which is a requirement of our insurance program delivery. Actuaries collect all our data, perform analysis, and audit our procedures to ensure programs meet approved methodologies required to maintain our actuarial certification. This certification includes recommendations that require implementation in the upcoming years, and we will continue to work on these as a priority. We also continue to work to modernize our processes and activities, and you'll see this is reflected in all our program delivery. Our team has been open to these changes and has made great suggestions for improvements.

To all P.E.I.AIC Board members: Thank you for your commitment and for your expertise. Your knowledge and experience of agriculture is integral in helping us deliver our programs for producers in PEI.

Respectfully submitted,



Lesa MacDonald, CPA CA  
Director  
July 25, 2024



# P.E.I. Agricultural Insurance Corporation

## Government Entity Overview

The Prince Edward Island Agricultural Insurance Corporation (P.E.I.AIC) is a Crown corporation of the Province of Prince Edward Island operating under the *Agricultural Insurance Act*. Employees of the Department of Agriculture are assigned to P.E.I.AIC to administer the AgriInsurance program, AgriStability program, and AgriRecovery framework on behalf of the Province.

P.E.I.AIC supports Prince Edward Island agriculture through the delivery of business risk management (BRM) programs included in the Federal-Provincial-Territorial Sustainable Canadian Agricultural Partnership (Sustainable-CAP) agreement. This agreement covers crop years from 2023 to 2028. The suite of programs administered by P.E.I.AIC includes AgriInsurance, Phytosanitary Disease Plan, AgriStability, and AgriRecovery. BRM programs provide producers with protection against income and production losses and helps producers manage risk.



# P.E.I. Agricultural Insurance Corporation

## Corporate Governance

P.E.I.AIC is a provincial Crown corporation and has a Board of Directors (the Board) who oversee the Corporation's activities. The P.E.I. Agricultural Insurance Corporation is established under the *Agricultural Insurance Act*. The role of the Board includes managing the business and affairs of the P.E.I.AIC. The Board follows the guiding principles of excellent client service, actuarial stability of programs, and meeting stakeholders' objectives.

### Board Members

March 2024

**Rodney Dingwell** | Chairperson

**Beverley Ann Boulter** | Director

**Clayton Bulpitt** | Director

**Shannon Burke** | Director, Corporate and Financial Services | Department of Agriculture | Department of Fisheries, Tourism, Sport, and Culture

**Sonya Cobb** | Senior Budget Analyst | Department of Finance

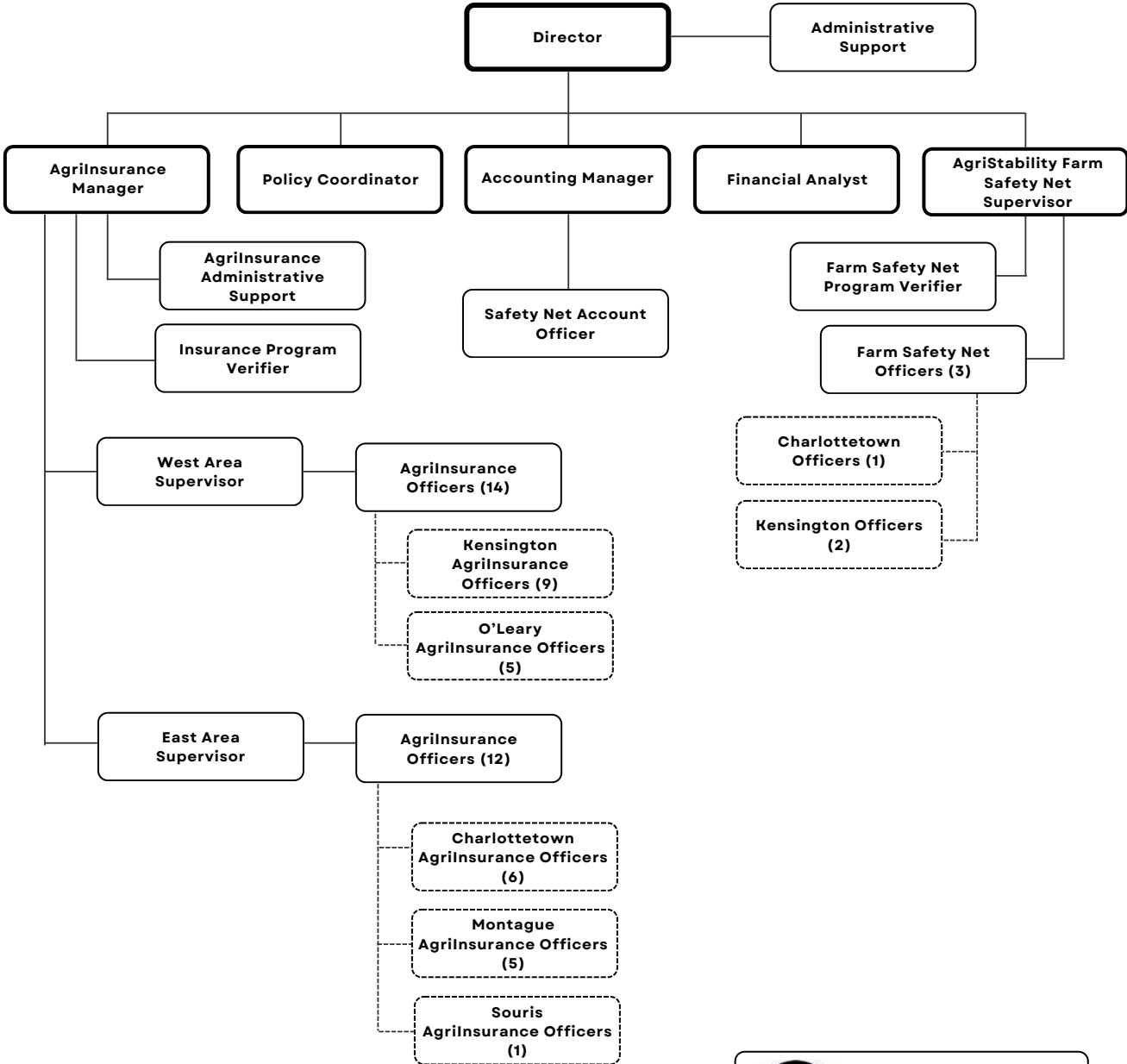
**Fred Dollar** | Director


**Mark MacEwen** | Director



# P.E.I. Agricultural Insurance Corporation

## Organization Structure 2023 Program Year




 Unless indicated, staff work out of the Kensington Office.



# P.E.I. Agricultural Insurance Corporation

## Vision, Mission, and Values

### Vision

A viable agricultural future for Prince Edward Island ensured by quality risk protection and access to modernized delivery of business risk management services for all agriculture producers.



### Mission

Assist producers in preventing and mitigating unforeseeable farm business management risks and deliver viable and effective risk management options.

### Values



#### Integrity

We build trust with all our stakeholders by our conduct.



#### Quality

We follow and advance rigorous standards and evidence-based best practices to anticipate and consistently respond to our clients' needs.



#### Teamwork

We combine the diversity of our knowledge, experience, and skills to deliver excellence and value.



#### Accountability

We are answerable to our stakeholders and take responsibility for the high-quality fulfillment of our commitments.



#### Responsiveness

We strive to answer quickly and positively with resources appropriate for the context of our clients' business activities while leveraging technology where possible.

# P.E.I. Agricultural Insurance Corporation

## Strategic Modernization Plan

In 2021, P.E.I.AIC developed the Strategic Modernization Plan to guide the modernization of operations from April 1, 2021 to March 31, 2026. Through the strategic planning process three goals were identified. The following provides a snapshot of P.E.I.AIC's accomplishments towards these goals during the fiscal year.



## Program Highlights

### AgriInsurance

The AgriInsurance program insures agricultural crops against production losses from specified perils (weather, pests, disease). It includes Production Insurance, Color Rider, Unharvested Acreage Benefit Rider, Storage Insurance Rider, Forage Insurance, and Livestock Insurance. Premiums from eligible programs are cost shared with producers, federal government and provincial government. Administrative costs are cost-shared on a 60-40 basis between the federal and provincial government.

Changes in the 2023 Crop Year AgriInsurance Agreement:

#### Production Insurance

- Requirement to provide spray records by February 1st deadline in order to potentially be eligible for a quality adjustment.

#### Storage Insurance Rider

- Ability to insure crops with a minimum of 80% coverage in Production Insurance to be eligible for Storage.
- Deadline for filing a Proof of Loss changed to 30 days from the first of the month in which the inventory is being declared as zero, or 30 days from the final sale, whichever is later.
- Requirement, when applicable, to indicate the seed lot meets the virus threshold, in order to be eligible for compensation at the elite seed unit price assigned, when destroying lots granted permission to destroy, that were previously insured under the Elite Seed plan.

#### Forage Insurance and Color Rider

- Introduction of a backup policy for weather data when a weather station malfunction occurs.

#### Perennial Crops

- Addition of the requirement to insure the productive plant asset (plants, vines) in order to be eligible for fruit coverage for grapes and highbush blueberries.

# P.E.I. Agricultural Insurance Corporation

Producers did not experience ideal growing conditions during the summer of 2023. AgrilInsurance claims totaled \$58.2 million, with the largest claims paid for production insurance claims. Grains experienced a bad growing season due to a wet and humid summer. This caused high moisture grain, and grains with toxins that couldn't be sold, resulting in high production insurance claims. There were rot issues with potatoes harvested and in storage, which impacted both production insurance and storage insurance rider claims. Potatoes experienced lower yields than the prior two years and had hollow heart issues. These also impacted production insurance claims.

## AgrilInsurance for the year ended March 31, 2024

	Acres	Insured Value	Premiums	Indemnities
<i>Production Insurance (PI)</i>				
Potatoes	72,864	\$ 347,486,009	\$ 28,408,001	\$ 27,632,400
Grains & Oilseeds	140,623	\$ 76,120,703	\$ 5,501,473	\$ 13,361,210
Other Crops	5,199	\$ 13,686,325	\$ 1,506,012	\$ 2,300,798
<b>Subtotal</b>	<b>218,686</b>	<b>\$ 437,293,037</b>	<b>\$ 35,415,486</b>	<b>\$ 43,294,408</b>
<i>PI Rider Plans (Acres and Insured Value included above)</i>				
Colour			\$ 832,234	\$ -
Unharvested Acreage Benefit			\$ 111,614	\$ 123,886
Potato Storage <sup>1</sup>			\$ 7,722,355	\$ 11,282,413
<b>Total PI and Riders</b>	<b>218,686</b>	<b>\$ 437,293,037</b>	<b>\$ 44,081,689</b>	<b>\$ 54,700,707</b>
<i>Other Plans</i>				
Forage	87,254	\$ 16,363,079	\$ 1,346,689	\$ 3,134,704
Livestock		\$ 1,627,580	\$ 202,969	\$ 358,629
<b>Total AgrilInsurance</b>	<b>305,940</b>	<b>\$ 455,283,696</b>	<b>\$ 45,631,347</b>	<b>\$ 58,194,040</b>

<sup>1</sup>Potato storage includes April to August 2023 (2022 Crop Year) and January to March 2024 (2023 Crop Year)

P.E.I.AIC purchases reinsurance coverage to protect the AgrilInsurance program from significant losses. Reinsurance coverage for the 2023 crop year provided protection against indemnities between \$74.9 million and \$181.5 million and was not triggered in the current year. The last time it was triggered was for the 2018 crop year.



# P.E.I. Agricultural Insurance Corporation

## Phytosanitary Disease Plan

The Phytosanitary Disease Plan provides additional coverage for bacterial ring rot, potato wart, and nematodes in potatoes. The purpose of this plan is to provide insured clients with assistance to offset a portion of the additional costs to deal with an outbreak and thus, enable the operation to continue production. The premiums are cost-shared 33.3% by the Province and 66.7% by the producer.

### Phytosanitary Disease Plan for the year ended March 31, 2024

	Acres	Insured Value	Premiums	Indemnities
<i>Phytosanitary Disease Plan</i>	14,083	\$ 2,580,964	\$ 193,572	\$ 160,000

During the 2023 growing season phytosanitary indemnities of \$160 thousand were calculated based on the insured acres infected and level of protection chosen by producers.

The fund balance at March 31, 2024, is \$1.7 million. Indemnities paid during any one year cannot exceed the fund balance for the plan. In any one year, if the indemnities exceed the fund balance they will be pro-rated.





# P.E.I. Agricultural Insurance Corporation

## AgriStability

AgriStability offers protection against declines greater than 30% in farm margins caused by circumstances such as low prices, rising input costs, and production losses. The program provides whole farm margin coverage for when the farm's current year margin falls below 70% of the farm's historical reference margin. The reference margin is reflective of the farm's five-year historical performance using income tax and supplemental information. Indemnity payments and administrative costs are cost-shared on a 60-40 basis between the federal and provincial governments. The Sustainable-CAP agreement, starting April 1, 2023, increased the AgriStability compensation rate to 80% (80 cents per dollar of support), from the previous 70%.

### AgriStability for the year ended March 31, 2024

Assigned Commodity	Indemnities
Cattle	\$ 329,112
Potatoes	\$ 3,021,608
Grains & Oilseeds	\$ 11,341
Other Livestock	\$ 473,860
Other	\$ 1,267,030
<b>Total Indemnities Paid</b>	<b>\$ 5,102,951</b>
Year-End Accrual (Net)	\$ (2,153,000)
<b>Total AgriStability Indemnities</b>	<b>\$ 2,949,951</b>

Indemnity payments are assigned to a commodity group based on the income that comprises at least 50% or more of total farm income. Mixed farms, where no one single type of income is over 50% or more of total farm income, is assigned the "Other" category.

The AgriStability program requires producer tax information to calculate a claim, so reporting under this program is a year behind the program year reported in other areas of this report. Most files processed in this fiscal period relate to the 2022 program year. The largest indemnities paid for potatoes relate to non-calendar year end producers.

Other significant payments were for cole crops, due to stresses caused by lack of rain during the 2022 growing season. There were also increased labor and fuel costs that impacted this industry.

# P.E.I. Agricultural Insurance Corporation

## AgriRecovery

AgriRecovery is a disaster assistance framework and is designed to cover extraordinary losses that are not covered by the other Sustainable-CAP programs. The program is initiated by the Province when specific disaster situations occur on PEI. The program helps producers with extraordinary costs from a non-reoccurring event. P.E.I.AIC administers all payments on behalf of the Province. AgriRecovery initiatives are cost-shared on a 60-40 basis between the federal and provincial government.

Hurricane Fiona made an impact to PEI during the overnight hours of September 23 and into September 24, 2022. The Province was heavily impacted by hurricane force winds, heavy rainfall and storm surges. There were significant losses to the fruit tree industry. For example, there were estimates of between 60-100% of the apple crops in Queens and Kings Counties fallen on the ground.

On September 26, 2023, the Canada – Prince Edward Island Fiona Fruit Tree Recovery Initiative was announced. This initiative provides eligible fruit tree growers with over \$1.7 million in federal/provincial cost-shared funding to support extraordinary costs related to Hurricane Fiona. The program provides financial assistance to producers for tree replacement and repair costs, trellis repair and replacement costs, and other recovery costs. During the year \$32 thousand of claims were paid. The program ends March 31, 2025.



## Provincial Hurricane Fiona Supports

In October 2022, the Province of Prince Edward Island announced a suite of programs for those in the agriculture industry significantly impacted by Hurricane Fiona. These programs are paid 100% by the Province of Prince Edward Island. The program supports administered by P.E.I.AIC are:

- AgriInsurance Fiona discount - a provincial discount of 10% off producer premiums for the 2023 program year. During the year \$1.56 million in producer discounts were paid by the Province.
- Phytosanitary Fiona discount – a provincial discount of 10% off producer premiums for the 2023 program year. During the year \$12.90 thousand in producer discounts were paid by the Province.
- AgriStability Fiona support – The Province covers the cost of any penalty associated with late participation. During the year \$22.11 thousand in late participation penalties were paid by the Province.

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**PRINCE EDWARD ISLAND  
AGRICULTURAL INSURANCE  
CORPORATION**

Financial Statements  
March 31, 2024



## **Management's Report**

### ***Management's Responsibility for the Financial Statements***

The financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards and the integrity and objectivity of these statements are management's responsibility. Management is responsible for the notes and schedules to the financial statements and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is responsible for implementing and maintaining a system of internal control to provide reasonable assurance that reliable financial information is produced.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board reviews internal financial reports on a regular basis and externally audited financial statements yearly.

MRSB Chartered Professional Accountants conducts an independent examination, in accordance with Canadian generally accepted auditing standards, and expresses their opinion on the financial statements. MRSB Chartered Professional Accountants has full and free access to financial information and management of the Prince Edward Island Agricultural Insurance Corporation and can meet when required.

On behalf of the Prince Edward Island Agricultural Insurance Corporation



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Lesla MacDonald, CPA, CA  
Director of Farm Income Risk Management



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Karla Thompson, CPA, CGA  
Accounting Manager

June 27, 2024





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## INDEPENDENT AUDITOR'S REPORT

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### To the Board of Directors of Prince Edward Island Agricultural Insurance Corporation

#### Opinion

We have audited the financial statements of Prince Edward Island Agricultural Insurance Corporation (the Corporation), which comprise the statement of financial position as at March 31, 2024, and the statements of net financial assets, operations and accumulated surplus and cash flows for the year then ended, and notes and schedules to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAS).

#### 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Corporation in accordance with 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.

#### Other Matter

The financial statements for the year ended March 31, 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on June 30, 2023.

#### 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 PSAS, 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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

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

(continues)

## Auditor's 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 auditor's 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 these 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 Corporation'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 Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Corporation 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.

We 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.

*MRSB Chartered Professional Accountants Inc.*  
MRSB CHARTERED PROFESSIONAL ACCOUNTANTS INC.

Charlottetown, PE

June 27, 2024


# PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

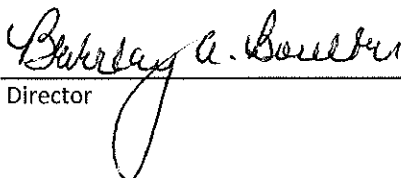
Statement of Financial Position  
as at March 31, 2024

	<u>2024</u>	<u>2023</u>
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash and Short-Term Investments (Note 5)	34,503,271	45,649,519
Accounts Receivable		
Producer	1,728,872	2,507,272
Province of Prince Edward Island	1,518,781	3,744,345
Federal Government	5,083,456	5,228,900
Accrued Interest	347,158	393,334
	<u>8,678,267</u>	<u>11,873,851</u>
<b>Total Financial Assets</b>	<b><u>43,181,538</u></b>	<b><u>57,523,370</u></b>
<b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities		
General	132,660	172,170
Indemnities Payable	4,780,934	5,255,797
Deferred Revenue	127,492	103,880
<b>Total Liabilities</b>	<b><u>5,041,086</u></b>	<b><u>5,531,847</u></b>
<b>NET FINANCIAL ASSETS</b>	<b><u>38,140,452</u></b>	<b><u>51,991,523</u></b>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid Expenses	-	11,935
<b>Total Non-Financial Assets</b>	<b><u>-</u></b>	<b><u>11,935</u></b>
<b>ACCUMULATED SURPLUS</b>	<b><u>38,140,452</u></b>	<b><u>52,003,458</u></b>

(The accompanying notes and schedules are an integral part of these financial statements.)

Approved on behalf of the Prince Edward Island Agricultural Insurance Corporation

  
Chair

  
Director

## PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

Statement of Operations and Accumulated Surplus  
for the year ended March 31, 2024

	<u>2024</u> <u>Budget</u> \$	<u>2024</u> <u>Actual</u> \$	<u>2023</u> <u>Actual</u> \$
<b>REVENUES</b>			
<b>Insurance Premiums</b>			
Producer	15,827,000	16,680,853	14,679,768
Provincial	12,499,200	13,211,465	11,609,919
Federal	15,188,320	15,932,601	14,001,840
	<u>43,514,520</u>	<u>45,824,919</u>	<u>40,291,527</u>
Less: Premium Discounts	(200,000)	(287,479)	(258,692)
Less: Hurricane Fiona Discounts (Note 4f)	-	(1,574,658)	-
Less: COVID-19 Discounts (Note 4h)	-	-	(97,671)
	<u>43,314,520</u>	<u>43,962,782</u>	<u>39,935,164</u>
<b>Contributions to Administrative Expenses</b>			
Producer	30,000	22,110	26,180
Provincial	1,269,720	1,369,207	1,208,554
Federal	1,904,580	2,037,455	1,794,710
	<u>3,204,300</u>	<u>3,428,772</u>	<u>3,029,444</u>
<b>Other</b>			
Producer Contribution	400,000	458,109	481,689
Provincial Contribution	2,469,000	1,045,798	1,083,381
Federal Contribution	3,704,000	1,568,697	1,625,071
Provincial Hurricane Fiona Contribution (Note 4f)	-	1,596,768	-
Provincial Potato Wart Contribution (Note 4g)	-	(208,419)	1,802,520
Provincial COVID-19 Contribution (Note 4h)	-	95,707	(257,832)
Interest	450,000	2,824,907	1,626,305
	<u>7,023,000</u>	<u>7,381,567</u>	<u>6,361,134</u>
<b>Total Revenues</b>	<u><b>53,541,820</b></u>	<u><b>54,773,121</b></u>	<u><b>49,325,742</b></u>
<b>EXPENSES</b>			
Indemnities	46,550,000	61,336,042	38,244,880
Administration (Schedule 5)	3,204,300	3,428,772	3,029,444
Bad Debt	15,000	9,440	154
Interest and Bank Charges	-	28,417	22,909
Reinsurance Premiums (Note 6)	3,750,000	3,833,456	3,375,376
<b>Total Expenses</b>	<u><b>53,519,300</b></u>	<u><b>68,636,127</b></u>	<u><b>44,672,763</b></u>
<b>ANNUAL (DEFICIT) SURPLUS</b>	22,520	(13,863,006)	4,652,979
Accumulated Surplus, Beginning of Year	52,003,458	52,003,458	47,350,479
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u><u><b>52,025,978</b></u></u>	<u><u><b>38,140,452</b></u></u>	<u><u><b>52,003,458</b></u></u>

(The accompanying notes and schedules are an integral part of these financial statements.)

## PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

Statement of Changes in Net Financial Assets  
for the year ended March 31, 2024

	<u>2024 Budget</u>	<u>2024 Actual</u>	<u>2023 Actual</u>
	\$	\$	\$
<b>Net Financial Assets, Beginning of Year</b>	<u>51,991,523</u>	<u>51,991,523</u>	<u>47,350,479</u>
<b>Changes in Year</b>			
Annual (Deficit) Surplus	22,520	(13,863,006)	4,652,979
Change in Prepaid Expenses	<u>11,935</u>	<u>11,935</u>	<u>(11,935)</u>
	<u>34,455</u>	<u>(13,851,071)</u>	<u>4,641,044</u>
<b>Net Financial Assets, End of Year</b>	<u><u>52,025,978</u></u>	<u><u>38,140,452</u></u>	<u><u>51,991,523</u></u>

(The accompanying notes and schedules are an integral part of these financial statements.)



## PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

Statement of Cash Flows

for the year ended March 31, 2024

	<u>2024</u>	<u>2023</u>
	\$	\$
<b>Cash (Used for) Provided by</b>		
<b>Operating Activities</b>		
Premiums and Contributions		
Producers	15,985,809	14,913,390
Province of Prince Edward Island	19,336,091	17,639,080
Federal Government	19,684,197	23,446,369
Indemnities	(61,705,208)	(39,225,948)
Payments for Program Administration	(3,456,347)	(2,983,088)
Interest Received	2,871,084	1,243,326
Interest and Bank Charges Paid	(28,418)	(22,909)
Reinsurance Premiums	<u>(3,833,456)</u>	<u>(3,533,689)</u>
<b>Cash (Used for) Provided by Operating Activities</b>	<b><u>(11,146,248)</u></b>	<b><u>11,476,531</u></b>
Cash and Short-Term Investments, Beginning of Year	<u>45,649,519</u>	<u>34,172,988</u>
<b>Cash and Short-Term Investments, End of Year</b>	<b><u><u>34,503,271</u></u></b>	<b><u><u>45,649,519</u></u></b>

(The accompanying notes and schedules are an integral part of these financial statements.)

# PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

Notes to Financial Statements

March 31, 2024

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## 1. Nature of Operations

The Prince Edward Island Agricultural Insurance Corporation is a provincial Crown corporation operating under the *Agricultural Insurance Act*. The objective of the Corporation is to deliver business risk management programs to the agricultural sector including crop and livestock insurance programs, income stability programs, and recovery programs for producers in Prince Edward Island. Programs are cost shared between the producer, and the federal and provincial governments.

The Prince Edward Island Agricultural Insurance Corporation is a provincial Crown corporation and as such is not subject to taxation under the federal *Income Tax Act*.

## 2. Summary of Significant Accounting Policies

### a) Basis of Accounting

The financial statements for the year ended March 31, 2024 have been prepared in accordance with Canadian Public Sector Accounting Standards. Since the Corporation has no unrealized gains or losses attributed to foreign exchange, derivatives, portfolio investments, or other financial instruments, a statement of remeasurement gains and losses is not prepared.

### b) Financial Assets

Financial assets are those on hand at the end of an accounting period which could be used to discharge existing liabilities or finance future operations.

Cash includes amounts on deposit at a financial institution. Amounts presented on the Schedules are an allocation of the cash to each program.

Short-term investments are recorded at cost. Transaction costs are expensed as incurred.

Accounts receivable are recorded at cost less any provisions when collection is in doubt. Provisions are calculated on a specific basis.

Accrued interest is the amount of interest earned, but not received, on short-term investments.

### c) Liabilities

Accounts payable and accrued liabilities are recorded for all amounts due for work performed and goods or services received during the fiscal year.

Indemnities payable are recorded for all amounts due for claims processed and accrual estimates of claims to be processed during the fiscal year.

# PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

Notes to Financial Statements

March 31, 2024

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## 2. Summary of Significant Accounting Policies (continued...)

Deferred revenue represents amounts received for insurance coverage beyond March 31, 2024. Revenue is recognized in the period in which the insurance coverage is in effect.

### d) Net Financial Assets

The Corporation's financial statements are presented to highlight net financial assets as the measure of financial position. The net financial assets is determined as financial assets less liabilities.

### e) Non-Financial Assets

Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge liabilities. They are normally employed to deliver government services and may be consumed in the normal course of operations.

Prepaid expenses are goods and services purchased which will provide economic benefits in future periods.

### f) Revenues

Revenues are recognized in the period in which the transaction or event that gave rise to the revenue occurred. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impractical.

### g) Expenses

Expenses are reported on an accrual basis in the period in which the transaction or event which gave rise to the expense occurred. The cost of all goods consumed, and services received during the year is expensed. Amounts presented on Schedule 6 are an allocation of expenses by object.

### h) Indemnity Expenses

Indemnity expenses include claims processed, accrual estimates of claims to be processed, and any adjustments to prior years' claims based on additional information received.

### i) Financial Instruments

Financial instruments consist of cash, short-term investments, accounts receivable, accounts payable, indemnities payable, and accrued interest. All financial instruments are recorded at cost or amortized cost. Due to their short-term nature, the carrying values of these financial instruments approximate their fair value.



# PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

Notes to Financial Statements

March 31, 2024

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## 2. Summary of Significant Accounting Policies (continued...)

### j) Use of Estimates and Measurement Uncertainty

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Items requiring the use of significant estimates are allowance for doubtful accounts, AgriStability indemnity accruals, and the federal and provincial revenue directly related thereto.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates and the difference could be material. Additional information on the estimate for AgriStability indemnities is provided in Note 8.

### k) AgrilInsurance Net Financial Assets Balance

In accordance with the Federal/Provincial/Territorial Agricultural Policy Framework Implementation Agreement, amounts in the AgrilInsurance net financial assets shall only be used for AgrilInsurance purposes. These encompass most of the entire balance of total net financial assets and are shown in detail on Schedule 1.

## 3. Risk Management of Financial Instruments

The Corporation is exposed to a number of risks as a result of the financial instruments on its statement of financial position that can affect its operating performance. These risks include interest rate, credit, liquidity, and price risk. The Corporation has no significant exposure to foreign currency risk.

### a) Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Corporation manages interest rate risk by investing in short-term investments. Based on year-end cash and short-term investment balances, a 1% increase (decrease) in the bank's prime lending rate could increase (decrease) interest income by approximately \$345,000.

### b) Credit Risk

Credit risk arises primarily from the Corporation's accounts receivable. The Corporation's maximum exposure to credit risk at March 31, 2024, is \$8,678,267 as noted on the statement of financial position.

# PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

Notes to Financial Statements

March 31, 2024

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### 3. Risk Management of Financial Instruments (continued...)

Receivables from the Province of Prince Edward Island of \$1,518,781 and the federal government of \$5,083,456 are not considered to have material credit risk as payment in full is typically collected when due. Total receivables due from producers are \$1,728,872. Risks are mitigated for receivables from producers through a regular monitoring process. Exposure to credit risk is also mitigated through a policy which offsets any amounts payable to producers from indemnity or other payments under programs the Corporation administers. In addition, producers may not participate in AgrilInsurance programs until arrears from prior crop years are paid in full.

At March 31, 2024, the following accounts receivable from producers were greater than 120 days old but not considered impaired.

	<u>2024</u> \$	<u>2023</u> \$
AgrilInsurance	152,300	501,350
AgriStability	<u>67,200</u>	<u>77,668</u>
	<u>219,500</u>	<u>579,018</u>

The total value of producer accounts receivable considered to be impaired at March 31, 2024 is \$83,700 (2023 – \$68,154).

#### c) Liquidity Risk

Liquidity risk is the risk that the Corporation is unable to meet its financial obligations as they become due. The Corporation has obligations to pay indemnities and other payments required by the programs it delivers. The Corporation manages this risk by purchasing reinsurance, maintaining cash and short-term investments, and reviewing cash flow projections on a monthly basis.

#### d) Price Risk

The Corporation is subject to price risk in that the price of farming commodities will affect indemnities paid in the AgriStability program. The Corporation manages this risk through its federal - provincial funding of the program.

# PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

Notes to Financial Statements

March 31, 2024

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## 4. Program Descriptions

### a) AgrilInsurance

The AgrilInsurance program is treated as a separate fund and is intended to be self-sustaining. Included under AgrilInsurance are production insurance, forage production plan, livestock insurance, and the riders - potato storage, unharvested acreage benefit, and colour for producers farming on Prince Edward Island. The assets, liabilities, and fund balance are segregated for presentation purposes on Schedule 1.

The agreement between the federal and provincial governments covers the cost sharing arrangements for insurance premiums and administrative expenses. Insurance revenues include government contributions to insurance premiums. Administration expenses are cost shared on a 60-40 basis between the federal and provincial governments.

Schedule 5 to the financial statements presents the administration expenses using the functional cost categories from the agreement.

### b) Late Blight Management Incentive

This program provides compensation to producers to kill potato fields infected with blight in order to reduce the spread of the disease to neighbouring fields. The provincial government contributes 100% of any eligible claim payments. No incentive payments were paid for the years ended March 31, 2024 and March 31, 2023.

### c) Phytosanitary Disease Plan

This program provides protection against bacterial ring rot infection, potato wart, and nematodes in potatoes. The premium is cost shared 33.3% by the Province and 66.7% by the producer. The indemnities shall not exceed the fund balance for this plan, which for 2024 is \$1,707,693 (2023 – \$1,669,592). Indemnity payments shall be pro-rated if indemnities exceed the fund balance in any one year. The assets, liabilities and fund balance are segregated for presentation purposes on Schedule 2. Administration expenses are paid 100% by the Province and are presented on Schedule 5.

### d) AgriStability

The AgriStability program is designed to provide Canadian agricultural producers with an ongoing whole farm risk management tool that provides protection against decreases in income. The federal government will contribute 60% and the Province 40% towards eligible claim payments and administration. The federal and provincial cost sharing is based on total claim payments and administration expenses less the producer's contribution.

The assets, liabilities, and fund balance are segregated for presentation purposes on Schedule 3. Schedule 5 to the financial statements presents the administration expenses using the functional cost categories from the agreement.

# PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

Notes to Financial Statements

March 31, 2024

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## 4. Program Descriptions (continued...)

### e) AgriRecovery

The AgriRecovery framework is a disaster relief framework which provides a coordinated process for federal, provincial, and territorial governments to respond rapidly when disasters strike, filling gaps not covered by existing programs.

On September 26, 2023 the Canada – Prince Edward Island Fiona Fruit Tree Recovery Initiative was announced. This initiative will provide eligible fruit tree growers with over \$1.7 million in federal/provincial cost-shared funding to support extraordinary costs related to Hurricane Fiona. The Corporation is administering the program. The federal government will contribute 60% and the Province 40% towards eligible claim payments and administration. Payments of \$32,051 are recorded in the AgriRecovery program Schedule 4. This disaster relief initiative program ends March 31, 2025. There was no AgriRecovery disaster relief initiative for March 31, 2023. Schedule 5 to the financial statements presents the administration expenses using the functional cost categories from the agreement.

### f) Hurricane Fiona Support

In October 2022, the Province of Prince Edward Island announced funding through Agrilnsurance and AgriStability programs for those in the agriculture industry who were significantly impacted by the effects of Hurricane Fiona. An Agrilnsurance Hurricane Fiona support discount is a provincial discount of 10% off producer premiums for the 2023 program year. Incentive payments of \$1,561,754 (2023 – nil) are recorded as Hurricane Fiona discount and are offset by provincial Hurricane Fiona contributions in the Agrilnsurance program Schedule 1.

Phytosanitary Hurricane Fiona support discount is a provincial discount of 10% off producer premiums for the 2023 program year. Incentive payments of \$12,904 (2023 – nil) are recorded as Hurricane Fiona discount and are offset by provincial Hurricane Fiona contributions in the Phytosanitary program Schedule 2.

AgriStability Hurricane Fiona support changes for the 2022 program year includes the Province of Prince Edward Island covering the cost of any penalty associated with late participation. Late participation payments of \$22,110 (2023 – nil) are recorded as Hurricane Fiona support and are offset by Provincial contributions in the AgriStability program Schedule 3.

# PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

Notes to Financial Statements

March 31, 2024

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## 4. Program Descriptions (continued...)

### g) Potato Wart Crisis

On November 21, 2021 Agriculture and Agri-Food Canada Minister Bibeau announced that Canadian Food Inspection Agency would voluntarily suspend trade of fresh potatoes to the United States, and signed a Ministerial Order introducing new risk mitigation measure for fresh potatoes moving across Canada.

In February 2022, the Province of Prince Edward Island announced changes to the AgriStability Program, to increase support for producers, for the 2021 and 2022 program years. The Province is paying 60% of the coverage level increase to 85% for the 2021 program year. The Province is paying 100% of the coverage level increase to 85% for the 2022 program year. The Province will fund 100% of the compensation rate increase from 70% to 80% of the loss covered for both the 2021 and 2022 program years. The 20% late participation penalty for the 2021 program year will be covered and paid by the Province. The net incentive statement balance of (\$208,419) (2023 – \$1,802,520) consists of current year indemnity payments (and accruals) of \$2,012,581 offset by the reversal of prior year accrual of \$2,221,000. Potato Wart support contributions are recorded in the AgriStability program Schedule 3.

### h) COVID-19 Pandemic Incentive

In April 2020, the Province of Prince Edward Island announced COVID-19 funding for agriculture producers through the Agrilnsurance and AgriStability programs. An Agrilnsurance COVID-19 discount is a provincial discount of 10% off producer premiums for the 2020 and 2021 program years, which ended in the prior year. Incentive payments of nil (2023 – \$97,671) are recorded as COVID-19 discount and are offset by provincial COVID-19 contributions in the Agrilnsurance program Schedule 1.

AgriStability COVID-19 changes for the 2020 and 2021 program years include paying the provincial portion (40%) of increasing the coverage level to 85%. Incentive payments of \$95,707 (2023 – (\$355,503)) are recorded as indemnities and are offset by provincial COVID-19 contributions in the AgriStability program Schedule 3.

## 5. Cash and Short-term Investments

	<u>2024</u>	<u>2023</u>
	\$	\$
Cash	21,028,001	29,504,968
Short-term investments	<u>13,475,270</u>	<u>16,144,551</u>
	<u>34,503,271</u>	<u>45,649,519</u>

Short-term investments consist of guaranteed investment certificates with interest rates ranging from 5.20% up to 6.00%. Maturity dates range from 243 days up to 264 days.

# PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

Notes to Financial Statements

March 31, 2024

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## 6. Reinsurance

The Corporation purchases reinsurance to protect against significant losses in the AgrilInsurance program. For 2024, reinsurance coverage provided protection against all indemnities between \$74.9 million and \$181.5 million (2023 – \$58.1 million to \$163.3 million) for most programs. The insured value of programs not included in the excess insurance coverage is \$4.2 million (2023 – \$4.2 million).

Reinsurance coverage was not triggered for the years ended March 31, 2024 and March 31, 2023.

## 7. Employee Future Benefits

As per the Federal/Provincial/Territorial Agricultural Policy Framework Implementation Agreement, the Corporation can claim certain employee costs on its administrative claims. The Province of PEI Department of Agriculture (Department) employs all staff working on behalf of the Corporation. The administration claims include allocations made from the Department to the Corporation for its share of the employees' costs. These expenses and the related contributions are recognized in the period in which they are recoverable.

### a) Sick Leave

All Department employees are credited 1.25 (excluded employees 1.5) days per month for use as paid absences in the year, due to illness or injury. Under existing employment agreements, employees are allowed to accumulate unused sick day credits each year up to the allowable maximum. Accumulated credits may be used in future years to the extent the employee's illness or injury exceeds the current year's allocation. The use of accumulated sick days for sick leave compensation ceases on termination of employment and there is no obligation to settle these amounts with cash payments. A liability has not been calculated and no accrual has been recorded in these financial statements. The related liability is recorded by the Province.

### b) Pension Benefits

Permanent employees of the Department participate in the Province of Prince Edward Island Public Sector Pension Plan (the Plan) which is a multi-employer contributory defined benefit pension plan. The annual pension for service prior to December 31, 2013, is based on the number of pensionable years of service, times 2% of the average best three years' annualized salary, with a reduction at age 65 for estimated Canada Pension Plan (CPP) benefits. The resulting pension amount represents the guaranteed base benefit. For service commencing January 1, 2014, pension amounts are based on the same formula as described above, applied to an employee's average weighted indexed pensionable salary. The resulting annual pension amount each year thereafter is added to the existing annual pension and becomes the new guaranteed base benefit. Indexing is subject to the funded levels of the plan after December 31, 2016.

# PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

Notes to Financial Statements

March 31, 2024

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## 7. Employee Future Benefits (continued...)

The Plan is administered by the Province of Prince Edward Island. The amounts included by the Corporation on its administrative claim of \$165,600 (2023 – \$136,800) were paid by the Province. Any unfunded liability of the Plan is the responsibility of the Province and therefore no liability has been recognized in these financial statements. For additional information on the Plan, see the Province's consolidated financial statements.

### c) Retirement Allowance

Permanent employees of the Department earn one week's pay for every year of service to a maximum of 26 weeks' pay as a retiring allowance. Retirement allowances are recoverable from the Province of Prince Edward Island and the federal government under existing cost sharing agreements. The method and timing of recovering the costs of providing retirement allowances to employees varies between the cost sharing agreements of the programs administered.

### d) Insurance Benefits

The Public Sector Group Insurance Plan provides life insurance, long-term disability, health, and dental benefits to eligible employees of the Department. This plan is administered by a multi-employer, multi-union Board of Trustees who is responsible for any unfunded liabilities of this plan. The cost of insured benefits reflected in the administrative costs is the employer's portion for the insurance premiums owed for coverage of employees during the period. The total for the period is \$82,880 (2023 – \$77,780).

## 8. AgriStability Indemnity Estimate

Management has prepared an estimate of the Corporation's accrued liability for indemnity payments with respect to unprocessed AgriStability files as of March 31, 2024. For the 2023 program year, estimates are determined using a five-year average of program payments, with a one-year lag. Actual results may be significantly different from the estimated amounts.

Indemnities paid in the AgriStability program vary significantly from year to year. In the past ten years, annual program payments have varied from \$2.5 million to \$5.7 million. The estimate for the most recent program year (2023) is based on historical averages. The historical averages are adjusted for benefit coverage under the Sustainable Canadian Agricultural Partnership Agreement (which is applicable for the 2023-2027 program years) and adjusted for past events that are reasonably known to have no relevance to the current program year. No individual participant files have been processed for the 2023 program year as of March 31, 2024. A 10% increase (decrease) in the 2023 program year payments will increase (decrease) the indemnity revenue and expense by \$263,000. A 30% increase (decrease) in the 2023 program year payments will increase (decrease) the indemnity revenue and expenses by \$790,000.

# PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

Notes to Financial Statements

March 31, 2024

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## 9. Related Party Transactions

During the year, six Board members had controlling interests in farms participating in various programs offered by the Corporation. Premiums and program fees were collected, and indemnities were paid during the year. These transactions were in the normal course of operations and were measured at the normal exchange amounts established by the Corporation.

The Province of Prince Edward Island employs all staff working within the Corporation. Allocations are made to the Corporation for its share of the salary and benefits as well as for other administration expenses paid by the Province. These costs are reflected as administration expenses in the Corporation's statement of operations and accumulated surplus.

There are resources provided to the Corporation by the Province of Prince Edward Island such as office accommodations, professional services, and tangible capital assets owned by the Province but used by the Corporation. These costs are assumed by the Province and are not reflected in these financial statements.

## 10. Budgeted Figures

Budgeted figures have been provided for comparative purposes and have been derived from the estimates approved by the Board of Directors and the Province. These amounts have not been subject to audit or review by the external auditors.

## 11. Prior Period Comparative Figures

Certain prior period comparatives have been restated to conform to the presentation format adopted in the current period.

## 12. Subsequent Event

On June 12, 2024, the Province of Prince Edward Island announced a new Maritime Livestock Price Insurance Pilot Program that will allow producers in PEI to purchase price protection on beef cattle in the form of an insurance policy. This program is a collaborative investment between the federal and provincial governments. Through the new initiative, producers pay 100% of the premiums. Administrative expenses are cost shared on a 60-40 basis between the federal and provincial governments, estimated at \$634,000 for the 2-year pilot. On PEI, the Maritime Livestock Price Insurance Pilot Program will be administered by the Prince Edward Island Agricultural Insurance Corporation.



**PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION**  
**AgrilInsurance**

Statement of Financial Position  
as at March 31, 2024

Schedule 1

	<u>2024</u>	<u>2023</u>
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash and Short-Term Investments	33,260,983	44,787,637
Accounts Receivable		
Producer	1,195,687	1,856,491
Province of Prince Edward Island	185,929	233,178
Federal Government	3,099,917	3,540,948
Accrued Interest	347,158	393,334
	<u>4,828,691</u>	<u>6,023,951</u>
<b>Total Financial Assets</b>	<b><u>38,089,674</u></b>	<b><u>50,811,588</u></b>
<b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities		
General	109,520	130,010
Indemnities Payable	1,415,903	255,767
Deferred Revenue	127,492	103,880
<b>Total Liabilities</b>	<b><u>1,652,915</u></b>	<b><u>489,657</u></b>
<b>NET FINANCIAL ASSETS</b>	<b><u>36,436,759</u></b>	<b><u>50,321,931</u></b>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid Expenses	-	11,935
<b>Total Non-Financial Assets</b>	<b><u>-</u></b>	<b><u>11,935</u></b>
<b>ACCUMULATED SURPLUS</b>	<b><u>36,436,759</u></b>	<b><u>50,333,866</u></b>

# PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

## AgrilInsurance

Statement of Operations and Accumulated Surplus  
for the year ended March 31, 2024

Schedule 1 (Continued)

	<b>2024</b> <b>Budget</b> \$	<b>2024</b> <b>Actual</b> \$	<b>2023</b> <b>Actual</b> \$
<b>REVENUES</b>			
<b>Insurance Premiums</b>			
Producer	15,708,000	16,551,818	14,557,273
Provincial	12,439,200	13,146,928	11,548,652
Federal	15,188,320	15,932,601	14,001,840
	<u>43,335,520</u>	<u>45,631,347</u>	<u>40,107,765</u>
Less: Premium Discounts	(200,000)	(287,479)	(258,692)
Less: Hurricane Fiona Discounts (Note 4f)	-	(1,561,754)	-
Less: COVID-19 Discounts (Note 4h)	-	-	(97,671)
	<u>43,135,520</u>	<u>43,782,114</u>	<u>39,751,402</u>
<b>Contributions to Administrative Expenses</b>			
Provincial	1,050,640	1,113,737	987,778
Federal	1,575,960	1,670,606	1,481,666
	<u>2,626,600</u>	<u>2,784,343</u>	<u>2,469,444</u>
<b>Other</b>			
Provincial Hurricane Fiona Contribution (Note 4f)	-	1,561,754	-
Provincial COVID-19 Contribution (Note 4h)	-	-	97,671
Interest	450,000	2,798,742	1,606,760
	<u>450,000</u>	<u>4,360,496</u>	<u>1,704,431</u>
<b>Total Revenues</b>	<u><b>46,212,120</b></u>	<u><b>50,926,953</b></u>	<u><b>43,925,277</b></u>
<b>EXPENSES</b>			
Indemnities	39,798,000	58,194,040	33,607,722
Administration (Schedule 5)	2,626,600	2,784,343	2,469,444
Bad Debt	15,000	9,440	154
Interest and Bank Charges	-	2,781	3,426
Reinsurance Premiums (Note 6)	3,750,000	3,833,456	3,375,376
<b>Total Expenses</b>	<u><b>46,189,600</b></u>	<u><b>64,824,060</b></u>	<u><b>39,456,122</b></u>
<b>ANNUAL (DEFICIT) SURPLUS</b>	22,520	(13,897,107)	4,469,155
Accumulated Surplus, Beginning of Year	50,333,866	50,333,866	45,864,711
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u><u><b>50,356,386</b></u></u>	<u><u><b>36,436,759</b></u></u>	<u><u><b>50,333,866</b></u></u>

**PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION**  
**AgrilInsurance**

Statement of Changes in Net Financial Assets  
for the year ended March 31, 2024

Schedule 1 (Continued)

	<u>2024</u> <u>Budget</u> \$	<u>2024</u> <u>Actual</u> \$	<u>2023</u> <u>Actual</u> \$
<b>Net Financial Assets, Beginning of Year</b>	<u><b>50,321,931</b></u>	<u><b>50,321,931</b></u>	<u><b>45,864,711</b></u>
<b>Changes in Year</b>			
Annual (Deficit) Surplus	22,520	(13,897,107)	4,469,155
Change in Prepaid Expenses	<u>11,935</u>	<u>11,935</u>	<u>(11,935)</u>
	<u>34,455</u>	<u>(13,885,172)</u>	<u>4,457,220</u>
<b>Net Financial Assets, End of Year</b>	<u><u><b>50,356,386</b></u></u>	<u><u><b>36,436,759</b></u></u>	<u><u><b>50,321,931</b></u></u>

**PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION**  
**AgrilInsurance**

Statement of Cash Flows

for the year ended March 31, 2024

Schedule 1 (Continued)

	<u>2024</u>	<u>2023</u>
	\$	\$
<b>Cash (Used for) Provided by</b>		
<b>Operating Activities</b>		
Premiums and Contributions		
Producers	15,377,560	14,287,491
Province of Prince Edward Island	15,869,669	14,257,052
Federal Government	18,044,238	20,917,151
Indemnities	(57,033,904)	(33,353,520)
Payments for Program Administration	(2,792,898)	(2,430,825)
Interest Received	2,844,919	1,223,781
Interest and Bank Charges Paid	(2,782)	(3,426)
Reinsurance Premiums	(3,833,456)	(3,533,689)
<b>Cash (Used for) Provided by Operating Activities</b>	<u><b>(11,526,654)</b></u>	<u><b>11,364,015</b></u>
Cash and Short-Term Investments, Beginning of Year	<u>44,787,637</u>	<u>33,423,622</u>
<b>Cash and Short-Term Investments, End of Year</b>	<u><b>33,260,983</b></u>	<u><b>44,787,637</b></u>

**PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION**  
**Phytosanitary Disease Plan**

Statement of Financial Position  
as at March 31, 2024

Schedule 2

	<u>2024</u>	<u>2023</u>
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	1,863,693	1,669,592
<b>Total Financial Assets</b>	<u>1,863,693</u>	<u>1,669,592</u>
<b>LIABILITIES</b>		
Indemnities Payable	160,000	-
<b>Total Liabilities</b>	<u>160,000</u>	<u>-</u>
<b>NET FINANCIAL ASSETS AND ACCUMULATED SURPLUS</b>	<u>1,703,693</u>	<u>1,669,592</u>

Statement of Operations and Accumulated Surplus  
for the year ended March 31, 2024

	<u>2024</u>	<u>2024</u>	<u>2023</u>
	Budget	Actual	Actual
	\$	\$	\$
<b>REVENUES</b>			
<b>Insurance Premiums</b>			
Producer	119,000	129,035	122,495
Provincial	60,000	64,537	61,267
	<u>179,000</u>	<u>193,572</u>	<u>183,762</u>
Less: Hurricane Fiona Discounts (Note 4f)	-	(12,904)	-
	<u>179,000</u>	<u>180,668</u>	<u>183,762</u>
<b>Contributions to Administrative Expenses</b>			
Provincial	-	6,006	5,412
<b>Other</b>			
Provincial Hurricane Fiona Contribution (Note 4f)	-	12,904	-
Interest	-	529	62
	<u>-</u>	<u>13,433</u>	<u>62</u>
<b>Total Revenues</b>	<u>179,000</u>	<u>200,107</u>	<u>189,236</u>
<b>EXPENSES</b>			
Indemnities	179,000	160,000	-
Administration (Schedule 5)	-	6,006	5,412
<b>Total Expenses</b>	<u>179,000</u>	<u>166,006</u>	<u>5,412</u>
<b>ANNUAL SURPLUS</b>	-	34,101	183,824
Accumulated Surplus, Beginning of Year	1,669,592	1,669,592	1,485,768
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u>1,669,592</u>	<u>1,703,693</u>	<u>1,669,592</u>

**PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION**  
**Phytosanitary Disease Plan**

Statement of Cash Flows

for the year ended March 31, 2024

Schedule 2 (Continued)

	<u>2024</u>	<u>2023</u>
	\$	\$
<b>Cash Provided by</b>		
<b>Operating Activities</b>		
Premiums and Contributions		
Producers	116,132	122,994
Province of Prince Edward Island	83,446	72,209
Payments for Program Administration	(6,006)	(5,412)
Interest Received	529	62
<b>Cash Provided by Operating Activities</b>	<u><b>194,101</b></u>	<u><b>189,853</b></u>
Cash, Beginning of Year	<u>1,669,592</u>	<u>1,479,739</u>
<b>Cash, End of Year</b>	<u><u><b>1,863,693</b></u></u>	<u><u><b>1,669,592</b></u></u>

**PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION**  
**AgriStability**

Statement of Financial Position  
as at March 31, 2024

Schedule 3

	<u>2024</u>	<u>2023</u>
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	(589,354)	(807,710)
Accounts Receivable		
Producer	533,185	650,781
Province of Prince Edward Island	1,324,615	3,511,167
Federal Government	1,959,725	1,687,952
	<u>3,817,525</u>	<u>5,849,900</u>
<b>Total Financial Assets</b>	<u><b>3,228,171</b></u>	<u><b>5,042,190</b></u>
<b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities		
General	23,140	42,160
Indemnities Payable (Note 8)	3,205,031	5,000,030
<b>Total Liabilities</b>	<u><b>3,228,171</b></u>	<u><b>5,042,190</b></u>
<b>NET FINANCIAL ASSETS AND ACCUMULATED SURPLUS</b>	<u><u>-</u></u>	<u><u>-</u></u>

**PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION**  
**AgriStability**

Statement of Operations and Accumulated Surplus  
for the year ended March 31, 2024

Schedule 3 (Continued)

	<b>2024 Budget</b>	<b>2024 Actual</b>	<b>2023 Actual</b>
	\$	\$	\$
<b>REVENUES</b>			
<b>Contributions to Administrative Expenses</b>			
Producer	30,000	22,110	26,180
Provincial	219,080	246,408	215,364
Federal	328,620	362,266	313,044
	<u>577,700</u>	<u>630,784</u>	<u>554,588</u>
<b>Other</b>			
Producer Contribution	400,000	458,109	481,689
Provincial Contribution	2,469,000	1,032,978	1,083,381
Federal Contribution	3,704,000	1,549,466	1,625,071
Provincial Hurricane Fiona Contribution (Note 4f)	-	22,110	-
Provincial Potato Wart Contribution (Note 4g)	-	(208,419)	1,802,520
Provincial COVID-19 Contribution (Note 4h)	-	95,707	(355,503)
Interest	-	25,636	19,483
	<u>6,573,000</u>	<u>2,975,587</u>	<u>4,656,641</u>
<b>Total Revenues</b>	<u><b>7,150,700</b></u>	<u><b>3,606,371</b></u>	<u><b>5,211,229</b></u>
<b>EXPENSES</b>			
Indemnities	6,573,000	2,949,951	4,637,158
Administration (Schedule 5)	577,700	630,784	554,588
Interest and Bank Charges	-	25,636	19,483
<b>Total Expenses</b>	<u><b>7,150,700</b></u>	<u><b>3,606,371</b></u>	<u><b>5,211,229</b></u>
<b>ANNUAL SURPLUS</b>	-	-	-
Accumulated Surplus, Beginning of Year	-	-	-
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>



**PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION**  
**AgriStability**

Statement of Cash Flows

for the year ended March 31, 2024

Schedule 3 (Continued)

	<u>2024</u>	<u>2023</u>
	\$	\$
<b>Cash Provided by (Used for)</b>		
<b>Operating Activities</b>		
Contributions		
Producers	492,117	502,905
Province of Prince Edward Island	3,375,337	3,309,819
Federal Government	1,639,959	2,529,218
Indemnities	(4,639,253)	(5,872,428)
Payments for Program Administration	(649,804)	(546,851)
Interest Received	25,636	19,483
Interest and Bank Charges Paid	(25,636)	(19,483)
<b>Cash Provided by (Used for) Operating Activities</b>	<u><b>218,356</b></u>	<u><b>(77,337)</b></u>
Cash, Beginning of Year	<u>(807,710)</u>	<u>(730,373)</u>
<b>Cash, End of Year</b>	<u><b>(589,354)</b></u>	<u><b>(807,710)</b></u>

**PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION**  
**AgriRecovery**

Statement of Financial Position  
as at March 31, 2024

Schedule 4

	<b>2024</b>
<b>FINANCIAL ASSETS</b>	<b>\$</b>
Cash	(32,051)
Accounts Receivable	
Province of Prince Edward Island	8,237
Federal Government	23,814
	<u>32,051</u>
<b>Total Financial Assets</b>	<u>-</u>
<b>NET FINANCIAL ASSETS AND ACCUMULATED SURPLUS</b>	<u><u>-</u></u>

Statement of Operations and Accumulated Surplus  
for the year ended March 31, 2024

	<b>2024</b>
<b>REVENUES</b>	<b>Actual</b>
	<b>\$</b>
<b>Contributions to Administrative Expenses</b>	
Provincial	3,056
Federal	4,583
	<u>7,639</u>
<b>Other</b>	
Provincial Contribution	12,820
Federal Contribution	19,231
	<u>32,051</u>
<b>Total Revenues</b>	<u><b>39,690</b></u>
<b>EXPENSES</b>	
Indemnities	32,051
Administration (Schedule 5)	7,639
<b>Total Expenses</b>	<u><b>39,690</b></u>
<b>ANNUAL SURPLUS</b>	-
Accumulated Surplus, Beginning of Year	-
<b>ANNUAL SURPLUS, END OF YEAR</b>	<u><u>-</u></u>

**PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION**  
**AgriRecovery**

Statement of Cash Flows

for the year ended March 31, 2024

Schedule 4 (Continued)

	<u>2024</u>
	\$
<b>Cash Used for</b>	
<b>Operating Activities</b>	
Contributions	
Province of Prince Edward Island	7,639
Federal Government	-
Indemnities	(32,051)
Payments for Program Administration	<u>(7,639)</u>
<b>Cash Used for Operating Activities</b>	<u><b>(32,051)</b></u>
Cash and Short Term Investments, Beginning of Year	<u>-</u>
<b>Cash and Short Term Investments, End of Year</b>	<u><u><b>(32,051)</b></u></u>

# PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

Schedule of Administration Expenses  
for the year ended March 31, 2024

Schedule 5

	<u>2024</u>	<u>2023</u>
	\$	\$
<b>AgriInsurance</b>		
Accommodations	57,043	80,317
Audit (Field)	53,161	50,577
Finance	108,097	96,534
Human Resources	29,834	30,532
Operations - Adjusting	864,861	784,903
Operations - Insurance Processing	724,292	647,889
Policy Administration	67,858	61,690
Program Sales and Promotion	527,964	461,919
Research, Development and Underwriting	310,534	150,897
Systems Maintenance and Support	57,834	50,542
Toll Free (Call Centre)	3,355	3,090
	<u>2,804,833</u>	<u>2,418,890</u>
Accruals	(20,490)	50,554
	<u>2,784,343</u>	<u>2,469,444</u>
 <b>Phytosanitary Disease Plan</b>		
Program Sales and Promotion	<u>6,006</u>	<u>5,412</u>
 <b>AgriStability</b>		
Accommodations	5,636	8,759
Audit	5,347	4,856
Data Capture	59,826	47,635
Economic Research and Analysis	53,309	42,170
Finance	47,306	45,184
Forms Processing	247,192	217,572
Human Resources	8,611	8,257
Policy Administration	24,383	22,776
Prepayment Review / Quality Assurance	143,560	102,868
Program Promotion	37,390	32,923
Provincial Share of Federal Administration Fees	4,365	4,391
Systems Maintenance and Support	8,613	5,538
Toll Free (Call Centre)	4,266	3,923
	<u>649,804</u>	<u>546,852</u>
Accruals	(19,020)	7,736
	<u>630,784</u>	<u>554,588</u>
 <b>AgriRecovery</b>		
Salary	7,439	-
Other Expenses	200	-
	<u>7,639</u>	<u>-</u>
 <b>Total</b>	 <u><u>3,428,772</u></u>	 <u><u>3,029,444</u></u>

## PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

Expenses by Object

for the year ended March 31, 2024

Schedule 6

	<u>2024</u>	<u>2023</u>
	\$	\$
Administration	3,891,563	3,430,580
Debt - Provision and Others	37,857	23,063
Equipment	11,316	41,573
Materials, Supplies and Services	37,205	41,199
Professional Fees	204,103	49,040
Salaries and Benefits	2,890,719	2,624,561
Travel and Training	227,323	217,867
Transfer Payments	61,336,041	38,244,880
<b>Total</b>	<u><u>68,636,127</u></u>	<u><u>44,672,763</u></u>

# P.E.I. Agricultural Insurance Corporation

## Contact Information

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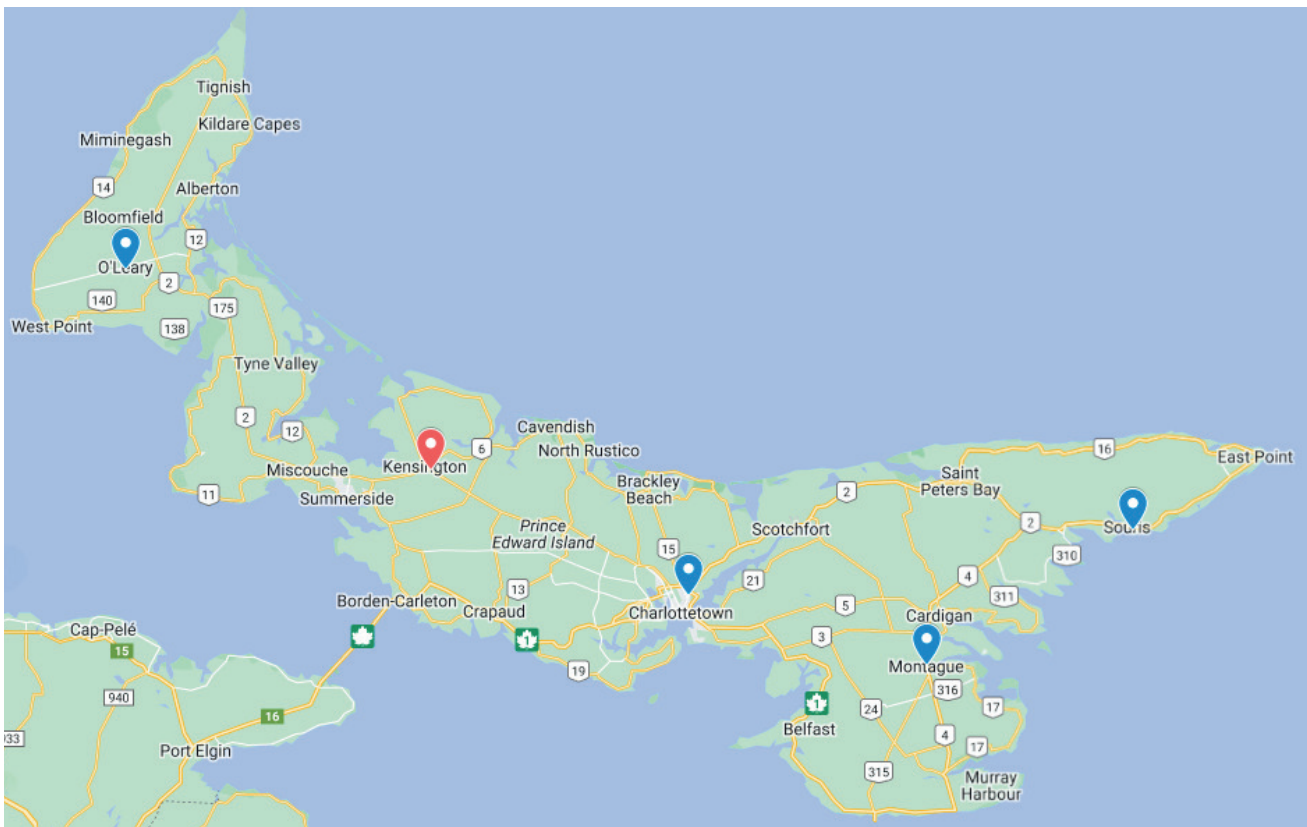


[www.peiaic.ca](http://www.peiaic.ca)



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## Office Locations



**Kensington** | Home Office | 7 Gerald McCarville Drive

**O'Leary** | Access PEI O'Leary | 45 East Drive

**Charlottetown** | Royalty Centre | 40 Enman Cres

**Montague** | 548 Main Street

**Souris** | Access PEI Souris | 15 Green Street