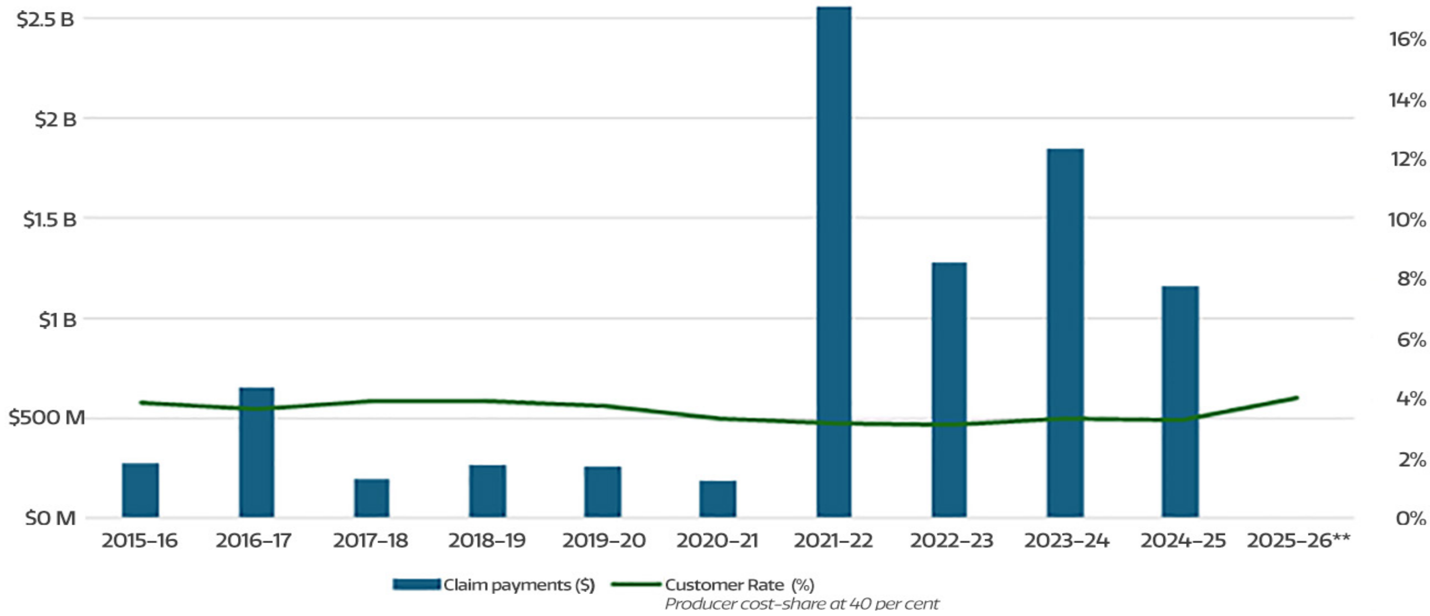
CROP INSURANCE PREMIUM

These past four years demonstrate how the Crop Insurance Program continues to respond and work for producers, paying approximately $7 billion in claims. Producers look to their insurance for reliable and consistent support. The Saskatchewan Crop Insurance Corporation proactively manages funds and premium, to ensure the long-term stability of the Program - saving in the good years, in order for money to flow back to producers during challenging ones.

Looking back at the past 10 years, although claim payments vary from year-to-year, the premium is relatively stable. The provincial average customer rate ranges between three to four per cent.



What makes up a producer's Crop Insurance premium?

As producers review their contract packages, they may see differences in their Crop Insurance coverage and premium. These differences are a result of a combination of factors. When it comes to Crop Insurance, customization can be key. Coverage specific to the needs of your operation can make all the difference and producers can access options to adjust coverage and cost. Coverage reflects each producer's production records and premium reflects each producer's claim history.

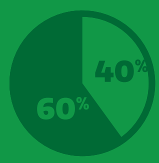
Long-Term Area Yield
For each crop and risk zone, a long-term area yield (the average of all reported yields) is calculated. This value is used in the premium calculation and is the same for every customer in the risk zone.

Coverage Level
Each farm is different and each operation's risk management needs are different. That is why SCIC offers various crop selections and coverage options within the Crop Insurance Program. For most crops, producers can select coverage at 50, 60, 70 or 80 per cent. Similarly, your Crop Insurance premium is reflective of your selected coverage level. Naturally, when the level of risk to the Program increases, premium for producers will also increase.

Crop Price
The base price for most crops is based on Agriculture and Agri-Food Canada's January price forecast for the upcoming year. Pedigreed, forage and organic crops have a separate price structure to reflect the value of these crops. When an insured price decreases from a previous year, the premium cost also goes down – along with the coverage. Producers can customize their Crop Insurance by selecting different pricing options. Base price is the default for Crop Insurance multi-peril endorsements. SCIC offers a range of price options, including Low Price, Contract Price and In-Season Price.

Premium Rate
A premium rate is calculated annually for each crop, in each risk zone, reflecting a long-term expected loss experience and overall financial position of the Crop Insurance Program. One of the primary components within the premium rate is the claim history in each risk zone. Simply put, the more claims paid out results in higher premium rates in subsequent years. There is a one-year lag in the data (claims from previous years) used to calculate premium rates. A reminder 2023 yields and claims will be used to calculate 2025 coverage and premium. Other notable components within the premium rate include the costs for SCIC to offer the Establishment Benefit feature and the costs of reinsurance.

Individual Premium Adjustment
This is an increase or decrease from the base premium, calculated individually for each crop you insure. Each producer's Individual Premium is based on personal claim history compared to the area risk zone. Claims on one crop do not impact premiums for other crops.



40% Paid by Producers
Crop Insurance premium is cost-shared at **60%** by governments (federal and provincial) and **40%** by producers.

Contact Us: 1-888-935-0000 | customer.service@scic.ca | SCIC.ca