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# NATIONAL ASSEMBLY

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FIRST SESSION

THIRTY-FOURTH LEGISLATURE

Bill 183

**An Act to amend the Crop Insurance  
Act and the Act respecting farm  
income stabilization insurance**

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## **Introduction**

**Introduced by  
Mr Yvon Picotte  
Minister of Agriculture, Fisheries and Food**

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## EXPLANATORY NOTES

*This bill amends the Crop Insurance Act and the Act respecting farm income stabilization insurance in order to facilitate the administration of their provisions.*

*The bill provides for greater flexibility with respect to the risks covered by the Crop Insurance Act and raises the maximum percentage of coverage of the insurance from 80 % to 90 %. In addition, the Régie des assurances agricoles du Québec will establish premiums or assessments after examining, among other factors, the loss index of each insured.*

*The bill also provides that a producer insured under a collective insurance system will be authorized to amend the agricultural program he submitted to the Régie with his application for insurance. Furthermore, in the case of a loss confined to part of a zone, it will be no longer required that at least 5 % of the insured in the zone be affected by the loss in order to qualify for an indemnity.*

*As regards the Act respecting farm income stabilization insurance, the bill first provides that the indemnities received by a producer under the crop insurance will, in the future, be included in the calculation of annual receipts. It also empowers the Régie to index the values assigned to the production and marketing structures and those assigned to the items included in computing the annual receipts and net annual income of a farm producer and the stabilized net annual income established under the Act.*

*Finally, the bill includes in the amended Acts various concordance amendments or other amendments of a technical nature.*

## Bill 183

### An Act to amend the Crop Insurance Act and the Act respecting farm income stabilization insurance

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

#### CROP INSURANCE ACT

**1.** Section 1 of the Crop Insurance Act (R.S.Q., chapter A-30) is amended

(1) by replacing the word “criteria” in the second line of paragraph *d* by the word “characteristics”;

(2) by replacing paragraph *e* by the following paragraph:

“(e) “collective appraisal” means samplings taken on various cultivated farms to determine the actual yield of insured crops;”.

**2.** Section 24 of the said Act is replaced by the following section:

**“24.** The object of the insurance is to indemnify a producer for any loss in yield sustained by his crop as a result of the occurrence of any uncontrollable events not attributable to human intervention, namely:

- (1) snow;
- (2) hail;
- (3) hurricane;
- (4) excessive rain;
- (5) excessive wind;

- (6) excessive humidity;
- (7) excessive heat;
- (8) drought;
- (9) frost;
- (10) wild animals, including birds;

(11) insects and plant diseases which appear in the form of an infestation or an epidemic or against which there is no adequate means of protection;

(12) flood caused by a force of nature and being an exceptional event;

(13) the formation of ice in the soil and frost in the preceding months of November through April, subject to section 48.

However, the Régie may, by regulation, exclude an event described in the first paragraph for any category of crops it determines.

The Régie may also, by regulation, add other uncontrollable events that are not attributable to human intervention for a category of crops it determines."

### **3. Section 25 of the said Act is amended**

(1) by striking out the words "Subject to the conditions peculiar to the formation of ice in the soil and frost in the preceding months of November through April," in the first two lines of the first paragraph;

(2) by replacing the words "harmful effects of any of the forces mentioned in paragraphs *a* to *i* of" in the third and fourth lines of the second paragraph by the words "occurrence of an event insured against determined under".

**4. Section 26 of the said Act is amended by replacing the first paragraph by the following paragraphs:**

**"26.** The Régie shall determine, at least every three years, a basic rate of assessment based on an actuarial valuation and any other data it considers relevant.

The basic rate shall apply to all of Québec, to a group of zones or to one zone only. It shall be adjusted, for each producer, in

proportion to the loss index and the number of years during which the producer was insured."

**5.** Section 27 of the said Act is amended by replacing the words "For the purpose of computing the rate of the assessment and, as the case may be, of the indemnity, the Régie shall fix each year" in the first and second lines by the words "To determine the amount of assessment payable by a producer, the Régie shall fix, at least every three years,".

**6.** Section 28 of the said Act is replaced by the following section:

**"28.** The basic assessment rates, the discount rates and the unit prices determined pursuant to sections 26 and 27 shall be published in at least one agricultural journal or, if there is no agricultural journal, in another newspaper designated by the Régie.

The rates and prices thus published shall remain in force until new rates and prices are published."

**7.** Section 32 of the said Act is amended by striking out the word "payable" in the fourth line.

**8.** The said Act is amended by inserting, after section 32, the following section:

**"32.1** Every producer who alters the agricultural program represented to the Régie in his application for insurance shall immediately notify the Régie of that fact. The Régie shall then inform him as soon as possible of the conditions on which a new certificate may be issued to him.

However, the Régie shall not accept any application after the final date fixed by regulation.

A producer who fails to comply with the obligation imposed by the first paragraph is entitled to no reimbursement of assessment and the insurance is valid only for that part of the agricultural program represented to the Régie which is carried out."

**9.** Section 39 of the said Act is amended by replacing the figure and words "80 per cent" in the second line of the first paragraph by the percentage "90 %".

**10.** Section 43 of the said Act is amended by replacing the words "one or another of the forces of nature contemplated in section 24, the

insured is not" in the first and second lines by the words "the occurrence of an event insured against determined under section 24, the insured is".

**11.** Section 44 of the said Act is amended by adding the words "in that zone or in another zone or part of a zone presenting characteristics similar to those of the zone in which the actual yield of the crop has been determined" at the end of the first paragraph.

**12.** Section 44.1 of the said Act is replaced by the following section:

**"44.1** Where a loss in yield results from the occurrence of an event insured against determined under section 24 and is confined to part of a zone, the Régie shall make an individual appraisal at the place of the insured who has filed the notice prescribed in section 43.

Every insured whose crop has sustained a loss in yield is entitled to an indemnity equal to the product of the insurable value entered on his insurance certificate by the percentage of net loss established by individual appraisal."

**13.** The said Act is amended by striking out sections 44.2 and 44.3.

**14.** Section 47 of the said Act is amended by replacing the words "eighty per cent" in the second line of the first paragraph by the percentage "90 %".

**15.** Section 55 of the said Act is amended

(1) by replacing the words "through the harmful effects of one or another of the forces of nature contemplated in" in the second and third lines of the first paragraph by the words "following the occurrence of an event insured against determined under";

(2) by replacing the words "eighty per cent" in the sixth line of the first paragraph by the percentage "90 %".

**16.** Section 56 of the said Act is amended

(1) by replacing the words "any of the forces of nature contemplated in" in the first line of the first paragraph by the words "the occurrence of an event insured against determined under";

(2) by replacing the words “and allowed by the Régie, as” in the fourth and fifth lines of the second paragraph by the words “up to the amount”.

**17.** Section 59 of the said Act is amended

(1) by replacing the words “harmful effect, while the insurance is in force, of the forces of nature mentioned and defined in the regulations” in the sixth, seventh and eighth lines of the first paragraph by the words “occurrence, while the insurance is in force, of an event insured against determined under section 24”;

(2) by striking out the second paragraph.

**18.** Section 60 of the said Act is amended by replacing the figures and word “44.1 to 44.3” in the second and third lines of the third paragraph by the figure “44.1”.

**19.** Section 61 of the said Act is amended by replacing the words “eighty per cent” in the first and second lines of the first paragraph by the percentage “90 %”.

**20.** Section 62 of the said Act is amended by replacing the words “For the purpose of computing the rate of assessment, the Régie shall fix each year” in the first and second lines by the words “To determine the amount of assessment payable by a producer, the Régie shall fix, at least every three years,”.

**21.** Section 64.1 of the said Act is amended by replacing the words “harmful effects on honey bearing plants or bees, while the insurance is in force, of the forces of nature mentioned in the regulations” in the fifth, sixth and seventh lines by the words “the occurrence, while the insurance is in force, of an event insured against determined under section 24 which affects honey bearing plants or bees”.

**22.** The said Act is amended by striking out section 64.2.

**23.** The said Act is amended by striking out section 64.4.

**24.** Section 64.5 of the said Act is amended by replacing the words “For the purpose of computing the rate of the assessment, the Régie shall fix each year” in the first and second lines by the words “To determine the amount of assessment payable by a producer, the Régie shall fix, at least every three years,”.

**25.** Section 64.6 of the said Act is replaced by the following section:

**“64.6** The basic assessment rates, discount rates and unit prices determined in accordance with sections 26 and 64.5 shall be published in at least one agricultural journal or, if there is no agricultural journal, in another newspaper designated by the Régie.

The rates and prices thus published remain in force until new rates and prices are published.”

**26.** Section 64.8 of the said Act is amended by replacing the figures and word “32, 33, 38, 44.1 and 44.2” in the first line by the figures and word “24, 26, 32, 32.1, 33, 38 and 44.1”.

**27.** Section 64.9 of the said Act is amended by replacing the percentage “80 %” in the first line of the first paragraph by the percentage “90 %”.

**28.** Section 64.13 of the said Act is amended by replacing the words “caused by one or another of the forces of nature contemplated in section 64.2, the insured is not” in the first and second lines by the words “resulting from the occurrence of an event insured against determined under section 24, the insured is”.

**29.** Section 64.14 of the said Act is replaced by the following section:

**“64.14** For the purpose of determining whether, in a zone, the honey production has sustained a loss in yield that qualifies for an indemnity, the Régie shall, each year, make a collective appraisal in that zone or in another zone or part of a zone presenting characteristics similar to those of the zone where the actual yield of the honey production has been determined.

If the appraisal shows that the actual yield of the honey production, in the zone, is less than the average yield guaranteed under section 64.9, each insured person in the zone shall be entitled to the payment of an indemnity.”

**30.** The French text of section 64.15 of the said Act is amended by adding the word “collective” after the word “expertise” in the last line.

**31.** Section 64.16 of the said Act is replaced by the following section:



**“64.16** Where a loss in yield confined to part of a zone results from the occurrence of an event insured against determined under section 24 and the hives affected by the loss are located in that part of that zone, the Régie shall make an individual appraisal at the place of the insured who has filed a notice of loss under section 64.13.

Every insured whose honey production has sustained a loss in yield is entitled to an indemnity equal to the product obtained by multiplying the insurable value entered on his insurance certificate by the percentage of net loss established by individual appraisal.”

**32.** The said Act is amended by striking out section 64.19.

**33.** Sections 65 to 67 of the said Act are replaced by the following sections:

**“65.** Every person who believes that he has been wronged by a decision of the Régie may appeal therefrom to the Court of Québec, but only on questions of law.

**“66.** Appeals are brought within thirty days from the decision of the Régie by filing an inscription served on the Régie and filed in the office of the clerk of the Court of Québec of the judicial district where the appellant has his domicile, a residence, an establishment or a place of business or in the judicial district where the facts that gave rise to the decision of the Régie occurred.

**“67.** Within fifteen days from the service of the inscription, the secretary of the Régie shall transmit to the clerk of the Court of Québec a certified copy of the record relating to the decision appealed from and of every relevant document.

**“67.1** The Court of Québec may confirm, revise or quash the decision submitted to it.

**“67.2** The decision of the Court of Québec is final and not subject to appeal.

The judgment shall be recorded in writing and contain, in addition to the conclusions, the reasons on which it is based.

**“67.3** Within ten days from the date of the judgment, the clerk of the Court of Québec shall send, by registered or certified mail, a certified copy of the judgment to the appellant and the Régie.

**“67.4** Subject to this division, the appeal and the hearing thereof shall be subject to the procedure governing ordinary actions before the Civil Division of the Court of Québec.”

**34.** Section 74 of the said Act is amended

(1) by inserting the words “, the topography” after the word “soil” in the second line of paragraph *d*;

(2) by striking out paragraphs *b*, *e.1*, *e.2* and *k*;

(3) by replacing paragraph *h* by the following paragraph:

“(h) prescribe the conditions of and the procedure governing the settlement of claims, and the payment of indemnities and compensation provided for in this Act, in particular, in the case of an abandoned crop;”.

**35.** Section 75 of the said Act is replaced by the following section:

“**75.** The provisions of Divisions III and IV of the Regulations Act (R.S.Q., chapter R-18.1) relating to the publication and coming into force of draft regulations and regulations do not apply to draft regulations or regulations that may be made by the Régie for the purposes of this Act.

Every regulation made under this Act is approved by the Government, with or without amendments, and comes into force on the day of its publication in the *Gazette officielle du Québec* or on any later date fixed therein.”

**36.** The said Act is amended by inserting, after section 78, the following section:

“**78.1** The Régie may deduct from the indemnity payable to an insured who is renewing his participation in the scheme the amount of assessment for the new period of insurance and grant the insured the discount provided for in section 26.”

ACT RESPECTING FARM INCOME STABILIZATION INSURANCE

**37.** Section 1 of the Act respecting farm income stabilization insurance (R.S.Q., chapter A-31) is amended by inserting the words “or an indemnity paid under the Crop Insurance Act” after the word “product” in the second line of paragraph *e*.

**38.** Section 3 of the said Act is amended by inserting, after the first paragraph, the following paragraph:

"The compensation shall be payable at the time and in the manner prescribed by regulation; the regulation may provide for the payment of advances."

**39.** Section 6 of the said Act is amended by replacing the words "and the assessment payable by the participant" at the end of the first paragraph by the words ", the period of participation, the period of insurance, the reasons for and the procedure governing the exclusion of a participant and the assessment that must be paid by the excluded participant. An assessment fixed in the course of a year may be applied to the current period of insurance."

**40.** The said Act is amended by inserting, after section 6, the following section:

**"6.1** The scheme may provide that the values assigned to the production and marketing structures and those assigned to the elements included in computing annual receipts, the net annual income and the stabilized net annual income shall be adjusted by the Régie on the basis of statistical studies conducted by the Régie or on the basis of other data it considers relevant.

The result of the adjustments effected by the Régie on the basis of statistical studies shall be published in at least one agricultural journal or, if there is no agricultural journal, in another newspaper designated by the Régie."

**41.** The said Act is amended by inserting, after section 33, the following section:

**"33.1** The Régie may, on the terms and conditions it determines, reduce the amount of assessment payable by a participant who is eligible for subsidies for the establishment of young farmers under Division III of Chapter II of the Act respecting farm financing (R.S.Q., chapter F-1.2)."

**42.** The title of Division VII of the said Act is replaced by the following:

#### "DIVISION VII

#### "PENAL PROVISIONS".

**43.** Section 39 of the said Act is repealed.

**44.** Section 45 of the said Act is replaced by the following section:

**“45.** Divisions III and IV of the Regulations Act (R.S.Q., chapter R-18.1) relating to the publication and coming into force of draft regulations and regulations do not apply to draft regulations or regulations which may be made for the purposes of this Act.

Every regulation made by the Government under this Act comes into force on the day of its publication in the *Gazette officielle du Québec* or on any later date fixed therein.

Every regulation made by the Régie under this Act is approved by the Government, with or without amendments, and comes into force on the day of its publication in the *Gazette officielle du Québec* or on any later date fixed therein.”

#### TRANSITIONAL AND FINAL PROVISIONS

**45.** Cases pending before the Court of Québec on (*insert here the date of coming into force of this Act*) and relating to an appeal from decisions of the Régie des assurances agricoles du Québec, are continued before that Court in accordance with the provisions of the Crop Insurance Act as they read before being amended by this Act.

**46.** This Act comes into force on (*insert here the date of assent to this Act*).