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Fertilizer Canada has clarified the treatment of alternative insurance arrangements within the April 2016 Revision of the Agricultural Ammonium Nitrate Code of Practice (AN Code) Implementation Guide.

Protocol F of the AN Code outlines minimum insurance policy requirements for each operation that stores and/or handles ammonium nitrate. Self-insurance by the definition of “no insurance” is not permitted under the AN Code. However, Fertilizer Canada recognizes that some large and established operators maintain sophisticated insurance programs that are not traditional insurance arrangements and may fall under the spectrum of self-insurance. These structured and appropriately-funded risk retention programs or other similar robust self-insurance alternatives may still provide equivalent or superior coverage to the Code insurance requirements for certain ammonium nitrate operations and qualify as equivalent under the AN Code.

Clarifications to the AN Code Implementation Guide have been made with the addition of two new sections:

- Section F3 – Deductibles with limits greater than \$25,000 must be of a reimbursable type and a Reimbursable Deduction Acknowledgement must be completed in addition to Page 1 of the Confirmation of Coverage Form.
- Section F4 – Alternative insurance arrangements greater than \$25,000 must be reviewed by a licenced insurer or underwriter against the required limits under the AN Code and execute a Statement of Equivalent Coverage. If an insurance arrangement contains both insured and alternative components, the sum of coverage must meet or exceed the prescribed coverage minimums.

Any operator interested in pursuing alternative insurance arrangements should see the AN Code Implementation Guide on the Fertilizer Canada website for full details.

Please note: Self-insurance by the definition of “no insurance” is still not permitted under the AN Code.

Fertilizer Canada is committed to providing a robust and comprehensible AN Code and will continue to work with the fertilizer industry to maintain our social licence to operate; ensuring that farmers can grow healthy crops with this product for years to come. Should you have any questions, please do not hesitate to contact us at the coordinates below:



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