



May 9, 2022

Bulletin #01-2022

May 9, 2022

Revision to Insurance deductible levels for Protocol E Agricultural Calcium Ammonium Nitrate Security Code of Practice

The purpose of this Bulletin is to provide Agricultural Calcium Ammonium Nitrate Security Code of Practice certified sites with information regarding a change in the maximum insurance deductible required for compliance with Protocol E. Protocol E of The Calcium Ammonium Nitrate Security Code of Practice states:

The facility has documentation that gives evidence of current policies of insurance covering the following areas of risk exposure:

1. Environmental impairment liability (EIL) in the minimum amount of \$2 million covering third party bodily injury and property damage and off-premises clean up expenses with \$2 million policy aggregate for all occurrences; and \$2 million covering on-premises clean up with \$2 million policy aggregate for all occurrences or; a minimum of \$2 million combined policy covering on/off-premises clean up expenses inclusively and third party bodily injury and property damage with \$2 million aggregate.
2. Owned automobile liability (applicable to any and all vehicles that are owned or leased or operated by the facility in connection with the facility's business) covering bodily injury or property damage to third party interests in the minimum amount of \$5 million per loss occurrence.
3. Non-owned automobile liability in the minimum amount of \$5 million per loss occurrence.
4. Comprehensive General Liability (CGL) and Product Liability in the minimum amount of \$5 million per loss occurrence.

Note:

- a) Any endorsement or other policy wording that directly or indirectly selects fertilizers as specifically excluded from coverage, or that selects fertilizers for diminished coverage, is NOT acceptable.

b) No deductibles more than \$25,000 are permitted.



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For sites seeking higher deductibles, they must individually apply for a self-insurance retention which includes submission of audited financial statements to Fertilizer Canada. Management assesses financial liquidity and accepts higher deductibles when sufficient liquidity is evident.

Effective May 9, 2022, the maximum insurance deductible has increased to \$50,000.

Rationale:

Several of the large commercial insurers now offer \$50,000 deductible on policy renewals starting in May 2022. These higher deductibles lower the insurance premium for retailers. Consequently, Fertilizer Canada was asked to consider increasing the deductible requirements by \$25,000 to \$50,000. The request was considered and approved. The rationale included:

- The industry continues to enjoy a favourable loss ratio.
- Widespread availability of environmental impairment liability insurance and the offering of increased deductibles by insurers.
- Retailers benefit from lower insurance costs.
- The deductible levels were increased from \$25,000 to \$50,000 for the AWSA Warehousing Standards on May 1, 2022 and for the Anhydrous Ammonia Code of Practice on May 9, 2022. Most CAN Code of Practice retailers have dual certification so their insurance cover would include both AWSA Warehouse Certification and Agricultural Ammonium Nitrate Code of Practice Certification. This change aligns all certification programs.

Please direct any questions or concerns to the coordinates below.

Sincerely,

Nadine Frost
Director, Policy & Industry Standards
Fertilizer Canada
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nfrost@fertilizercanada.ca

CALCIUM AMMONIUM NITRATE SECURITY CODE OF PRACTICE CONFIRMATION OF COVERAGE FORM – PROTOCOL E

To be provided to Authorized Auditor as part of compliance documentation and a copy forwarded with the audit to the program office.

1. Insurer A		Insurer B		Insurer C	
Name of Insurer:		Name of Insurer:		Name of Insurer:	
Address of Insurer:		Address of Insurer:		Address of Insurer:	
Postal Code:		Postal Code:		Postal Code:	
Tel:		Tel:		Tel:	
2. Company			3. Agent/Broker		
Name of Insured:			Name of Agent/Broker:		
Address of Insured:		Postal Code:		Address of Agent/Broker:	
Covered Location:			Postal Code:		
Policy Number:	Certificate Number:	Policy Period:		Tel:	
CAN Compliance #:					

Coverage Type	Insurer	\$ Coverage	Deductible	\$ Policy Aggregate
Environmental Impairment Liability (on site) <small>(Note: a combined on-site/off-site EIL policy with a minimum \$2 million combined coverage, \$50,000 max deductible and minimum \$2 million policy aggregate is also permitted)</small>	(A, B or C)	Minimum \$2,000,000	Max \$50,000	Minimum \$2,000,000/occurrence
Environmental Impairment Liability (off site) <small>(to include third party injury and property damage and off premises clean up)</small>	(A, B or C)	Minimum \$2,000,000	Max \$50,000	Minimum \$2,000,000/occurrence
Owned Automobile Liability <small>(applicable to any and all vehicles that are owned, or leased or operated by the facility in connection with the facility's business)</small>	(A, B or C)	Minimum \$5,000,000	Max \$50,000	Minimum \$5,000,000/occurrence
Non-Owned Automobile Liability	(A, B or C)	Minimum \$5,000,000	Max \$50,000	Minimum \$5,000,000/occurrence
Comprehensive General Liability	(A, B or C)	Minimum \$5,000,000	Max \$50,000	Minimum \$5,000,000/occurrence
Product Liability	(A, B or C)	Minimum \$5,000,000	Max \$50,000	Minimum \$5,000,000/occurrence

The undersigned warrants that he or she has reviewed the Calcium Ammonium Nitrate Security Code of Practice insurance protocol; that the coverage represented above is in conformity with the required coverage limits and permitted deductibles. It is further understood and agreed that the undersigned undertakes to give fifteen (15) "days" notice to the Calcium Ammonium Nitrate Security Code Program Manager if the policy should be cancelled or otherwise terminated prior to the specified policy expiration date; or if the policy should fail to be renewed on a basis that ensures continued compliance with the insurance protocol; or if any other circumstance should occur which prejudices or invalidates a representation of compliance previously given.

Name of Authorized Representative of Insurer:	
Signature of Authorized Representative of Insurer:	Date: