



May 9, 2022

Bulletin #01-2022

May 9, 2022

Revision to Insurance deductible levels for Protocol I1 Anhydrous Ammonia Code of Practice

The purpose of this Bulletin is to provide Ammonia Code certified sites with information regarding a change in the maximum insurance deductible required for compliance with Protocol I1. Protocol I1 of The Ammonia 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 \$1 million covering third party bodily injury and property damage and off-premises clean up expenses with \$1 million policy aggregate for all occurrences; and \$1 million covering on-premises clean up with \$1 million policy aggregate for all occurrences.
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) 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:

The insurance protocol has not changed since the launch of the Ammonia Code of Practice in 2008. Several of the large commercial insurers now offering \$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.
- The increase from \$25,000 to \$50,000 is over a 15 year span.
- The Canadian inflationary increase from 2008 to 2022 was 32.24%
- 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. Most Ammonia Code of Practice retailers have dual certification so their insurance cover would include both AWSA Warehouse Certification and Ammonia Code Certification. This change aligns these certification programs.

Please direct any questions or concerns to the coordinates below.

Sincerely,

Nadine Frost
Director, Policy & Industry Standards
Fertilizer Canada
T: 613-316-7858
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AMMONIA STANDARDS PROGRAM—CODE OF PRACTICE

CONFIRMATION OF COVERAGE FORM—PROTOCOL I1

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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:
ASP Compliance #:			

Coverage type	Insurer	\$ Coverage	\$ Deductible	\$ Policy Aggregate
Environmental Impairment Liability (on site)	(A, B or C)	Minimum \$1,000,000	Max \$50,000	Minimum \$1,000,000/occurrence
Environmental Impairment Liability (off site)	(A, B or C)	Minimum \$1,000,000	Max \$50,000	Minimum \$1,000,000/occurrence
Owned Automobile Liability	(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

The undersigned warrants that he or she has reviewed the Anhydrous Ammonia 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) day's notice to the Ammonia Standards Program 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:

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CONFIRMATION OF COVERAGE FORM—PROTOCOL I1

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The Standard Confirmation of Coverage Form is designed for use by facilities that have insurance meeting the required levels of coverage, limits and deductibles. Anhydrous Ammonia facilities require insurance coverage as outlined protocol I1.

This form must be completed fully and signed by an authorized insurance representative. A separate form is required for each insured location.

Reimbursable Deductible Acknowledgement

For deductible limits in excess of \$50,000, the deductibles must be of a reimbursable nature. With a reimbursable deductible, the insurer shall be responsible for paying all losses and loss expenses. The insured shall promptly reimburse the insurer for advancing any element of loss falling within the deductible.

For reimbursable deductibles:

- (a) Insurance representative must complete the front side of this form, recording the deductible amounts
- (b) Insurance representative must complete the reimbursable deduction section below
- (c) Dealer must sign acknowledging reporting of all incidents.

The undersigned warrants that the deductibles recorded on page one of the Confirmation of Coverage Form are of a reimbursable nature (as described above).

Name of Authorized Representative of Insurer:

Signature of Authorized Representative of Insurer:

Date:

The insured agrees to report all pollution losses promptly to the insurer(s) without regard for the size of the deductible.

Name of Authorized Representative of Insured premises:

Signature of Authorized Representative Insured premises:

Date: