



Changes to the Agricultural Ammonium Nitrate Code Environmental Impairment Liability Insurance Policy Requirements

The Agricultural Ammonium Nitrate Code of Practice (the Code) came into force on December 31, 2015, requiring all members of Fertilizer Canada storing or handling high nitrogen content AN (as defined by UN 1942) to complete an audit verifying compliance with its requirements for continued membership. The Code parallels current regulation and provides best practices for safe and secure handling and storage of AN across the supply chain.

With the implementation still underway, there has been significant discussion regarding the minimum coverage for Environmental Impairment Liability (EIL) insurance. At the coming into force date, the Code required sites to have a \$5 M minimum policy coverage for EIL insurance. Upon additional review and feedback from members, the Code will now require minimum policy coverage of \$2M. The options provided to the sites include:

EIL Insurance	Minimum Policy Coverage	Maximum Deductible	Minimum Policy Aggregate
On-site	\$2,000,000	\$25,000	\$2,000,000
Off-site <small>(to include third party bodily injury and property damage and off premises clean up)</small>	\$2,000,000	\$25,000	\$2,000,000

OR

EIL Insurance	Minimum Policy Coverage	Maximum Deductible	Minimum Policy Aggregate
Combined on-site and off-site coverage inclusively	\$2,000,000	\$25,000	\$2,000,000

EIL insurance covers all damages to third party sources occurring due to pollution resulting from a release as well as site remediation which are not covered by general comprehensive liability policies. While every site should have an insurance policy tailored to the risks of the individual operation, the Code aims to provide guidelines for minimum insurance requirements as a best practice for addressing risks relating to the storage and handling of AN and containing damages resulting from event of an AN-related incident.



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The limits stated above are considered to be minimum coverage. The risk profile of each site may vary and it is necessary to verify with your insurance broker if the minimum coverage is sufficient.

For those sites that have purchased additional coverage to meet the Code requirements can re-evaluate their coverage requirements. Fertilizer Canada apologizes for any inconvenience this may have caused.

As we continue to implement the Code of Practice, we are committed to working with our members to ensure that the industry maintains its social license to operate and instill public trust in our safety and security practices.

Should you have any questions or concerns, please do not hesitate to contact me.

Thank you,

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