



What you should know about insurance coverage and your farm business

Insurance is essential in any business, but it is a particularly high priority for farmers. From hail and damaging winds to flooding and frost, field crops, orchards and vineyards face ongoing risks from weather extremes.

Heavy snow loads and fires pose serious threats to livestock barns and other farm facilities, while theft and vandalism are growing concerns in rural areas, leaving farm equipment and other valuable assets increasingly vulnerable.

In the 2024 Farm Business Confidence Survey, OFA members identified insurance as the second-highest issue of concern for their businesses, up from fifth place just one year earlier.

Why it matters

Insurance is one of the core tools farmers use to manage risk in an unpredictable operating environment. Without proper insurance coverage, even a single incident can jeopardize the financial stability of a farm and its ability to continue operating.

Farmers have unique insurance needs that are not always fully addressed by conventional business or personal insurance policies. That's why farmers typically rely on a combination of private insurance and government-backed risk management programs to help protect their operations.

Common types of farm insurance coverage

Farm insurance often includes a combination of the following:

- Production insurance to protect against yield reductions or crop losses caused by weather or other insured perils
- Farm property insurance covering buildings, equipment, livestock and stored products
- Liability insurance to protect against injuries or damage involving third parties
- Vehicle insurance, including coverage for farm trucks and vehicles of husbandry
- Business interruption insurance to help cover lost income after an insured loss
- Cybersecurity insurance to address emerging digital risks
- Workplace safety and employee coverage
- Government programs such as AgriStability and AgriRecovery, which provide income support or disaster relief when margins fall or extraordinary events occur

For most farmers, insurance is not optional—it is a necessary part of operating a modern farm business.



What you can do to protect your farm's insurance coverage

While you can't control every risk, there are steps you can take to ensure your insurance coverage is accurate, current and effective:



Maintain open communication with your insurance broker to ensure your policy reflects your specific farm operation



Work with an agent who has experience with farm insurance, as agricultural operations have unique risks



Schedule an annual review of your policy to account for new buildings, equipment, livestock or technology



Keep a detailed inventory of farm assets, including photos, serial numbers and purchase values



Share information about maintenance plans, electrical upgrades and safety improvements, which may reduce risk and premiums



Ensure property descriptions and coverage limits reflect current replacement costs, not outdated values

Attention to detail during policy renewal is critical to avoid unexpected gaps in coverage.

Excerpt from recent OFA Viewpoints



Insurance is important in any situation, but it is a particularly high priority for farmers. From hail and damaging winds to flooding and frost, field crops, orchards and vines face threats from weather extremes. Heavy snow loads and fires pose risk to livestock barns and other farm facilities—and theft is a growing concern in rural areas, leaving farm equipment and other items increasingly vulnerable. Simply put, for farmers, insurance is one of the tools necessary for us to function in today's world. It's very difficult or even impossible to run a business without it."

Mark Reusser, Director, May 2025

More information, including Viewpoints, resources and recorded webinars are available at ofa.on.ca.

Be informed. Ask questions. Make sure your coverage works for your farm.