



## > Plantation Timber Policy Wording

## › Thankyou

### For choosing to insure Your plantation with Rural Affinity

#### What We would like You to do

1. Please take the time to read Your policy wording and Schedule, making sure that all details are correct.
2. Keep Your policy wording and Schedule in a safe place so that You can refer to them easily.
3. If You have any questions about Your insurance cover, You should contact Your insurance adviser.
4. When contacting Rural Affinity, please quote the policy number which is printed on Your Schedule.

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## › Important information

### Who is Rural Affinity?

Rural Affinity Insurance Agency Pty Ltd ABN 72 119 838 854 AFS Licence No. 302182 is an underwriting agent. In transacting this insurance, Rural Affinity is acting as an agent for Great Lakes Reinsurance (UK) SE.

### Who is the Insurer?

This insurance is underwritten by Great Lakes Reinsurance (UK) SE trading as “Great Lakes Australia”.

Great Lakes Australia is a branch of Great Lakes Reinsurance (UK) SE (ARBN 127 740 532, ABN 18 964 580 576, AFS Licence No. 318603), which is a limited liability company incorporated in England and Wales and a wholly owned subsidiary of Münchener Rückversicherungs Gesellschaft AG (Munich Re). The Munich Re Group is one of the largest insurance groups in the world.

Great Lakes Reinsurance (UK) SE has strong financial security characteristics. However, please note that ratings can vary from time to time. You can check Great Lakes Reinsurance (UK) SE’s current rating at the following website: Standard & Poors: [www.standardandpoors.com](http://www.standardandpoors.com)

Great Lakes Australia can be contacted as follows:

143 Macquarie Street, Sydney, NSW, 2000  
PO Box H35 Australia Square, Sydney, NSW, 1215  
(02) 9272 2050 | [reception@gla.com.au](mailto:reception@gla.com.au) | [www.gla.com.au](http://www.gla.com.au)

Great Lakes Australia is a party to the General Insurance Code of Practice. You can access the Code at [www.codeofpractice.com.au](http://www.codeofpractice.com.au)

### Your Duty of Disclosure

This policy is subject to the *Insurance Contracts Act 1984* (Act). Under that Act You have a Duty of Disclosure.

Before You take out insurance with Us, You have a duty to tell Us of everything that You know, or could reasonably be expected to know, may affect Our decision to insure You and on what terms. If You are not sure whether something is relevant You should inform Us anyway.

You have the same duty to inform Us of those matters before You renew, extend, vary, or reinstate Your contract of insurance. The duty applies until the policy is entered into, or where relevant, renewed, extended, varied or reinstated (Relevant Time).

If anything changes between the time the answers are provided to Us or disclosures are made and the Relevant Time, You need to tell Us.

Your duty however does not require disclosure of matters that:

- reduce the risk;
- are common knowledge;
- We know or, in the ordinary course of Our business, ought to know, or
- We have indicated We do not want to know.

If You do not comply with Your duty of disclosure, We may be entitled to:

- reduce Our liability;
- are common knowledge;
- We know or, in the ordinary course of Our business, ought to know, or
- We have indicated We do not want to know.

If You do not comply with Your duty of disclosure, We may be entitled to:

- reduce Our liability for any claims;
- cancel the contract;
- refuse to pay the claim, or
- avoid the contract from its beginning, if Your nondisclosure was fraudulent.

## > Important information (continued)

### Privacy Statement

We and Rural Affinity are committed to the safe and careful use of Your personal information in the manner required by the *Privacy Act 1988* (Cth), the Australian Privacy Principles and the terms of this policy. In this privacy section, “We”, “Us” and “Our” means the insurer and Rural Affinity as applicable.

We and Rural Affinity collect Your personal information in order to assess Your application for insurance and, if Your application is accepted, to administer and manage Your insurance policy and respond to any claim that You make. To do this, Your personal information may need to be disclosed to reinsurers and service providers and related entities who carry out activities on Our and Rural Affinity’s behalf, such as assessors and facilitators, some of whom may be located in overseas countries. Our and Rural Affinity’s contractual arrangements generally include an obligation for these reinsurers, service providers and related entities to comply with Australian privacy laws.

By providing Us and Rural Affinity with Your personal information, You consent to the disclosure of Your personal information to reinsurers, service providers and related entities in overseas countries to enable Us and Rural Affinity to assess Your application, to administer and manage Your insurance policy and to respond to any claim that You make. If You consent to the disclosure of Your personal information to overseas recipients, and the overseas recipient handles Your personal information in a way other than in accordance with the Australian privacy laws, We and Rural Affinity may not be responsible for the handling of Your personal information by the overseas recipient.

If You choose not to provide Your personal information and/or choose not to consent and/or withdraw Your consent to the disclosure of Your personal information to overseas entities at any stage, We and/or Rural Affinity may not be able to assess Your application or administer and manage Your insurance policy and respond to any claim that You make.

Our and Rural Affinity’s privacy policies explain how You may access personal information that each of us holds, how to seek correction of Your personal information, how to make a complaint about the handling of Your personal information and how complaints are handled. If You require more information, You can access the Great Lakes Australia Privacy Policy and Privacy Statement at [www.munichre.com/io/gla/en/privacy\\_statement.aspx](http://www.munichre.com/io/gla/en/privacy_statement.aspx) and Rural Affinity’s Privacy Policy and Privacy Statement at [rurallaffinity.com.au/privacy\\_statement](http://rurallaffinity.com.au/privacy_statement)

### Dispute resolution

We view seriously any complaint made about Our products or services and will deal with it promptly and fairly.

If You have a complaint please first try to resolve it by speaking to the relevant member of Our staff.

If the matter is still not resolved, please then contact Our Internal Disputes Resolution Officer on (02) 9496 9300. We will acknowledge receipt of Your complaint within 3 working days.

If the complaint relates to the insurance cover We will work with Great Lakes Australia to resolve the complaint. We will, provided We have sufficient information, complete the review within 15 working days. Where We are unable to do so, We will agree a new timeframe for responding to You. In any case, We will provide You with an update every 10 working days.

If You are a natural person or a small business, and You are not satisfied with the final decision, You may wish to contact the Financial Ombudsman Service Australia (“FOS”). The FOS is a free independent external disputes resolution service provided to customers to review and resolve complaints where We have been unable to satisfy Your concerns.

For further details you can visit their website [www.fos.org.au](http://www.fos.org.au) or contact them:

GPO Box 3, Melbourne, VIC, 3001  
1800 367 287 | [info@fos.org.a](mailto:info@fos.org.a)

### Cost of Insurance

When We calculate Your insurance premiums, We take into account the following factors:

1. the insured events which are covered;
2. the type of the plantation;
3. the location of the plantation;
4. the surrounding land use;
5. your fire management resources;
6. the excess which applies;
7. the Sum Insured selected by You.

## › Important information (continued)

### Words with special meaning

In this policy wording and Your Schedule there are words which have a special meaning. These words appear with a capital first letter. The meaning of these words is shown in the Definitions section on page 10 of this policy wording.

### Jurisdiction

Should any dispute arise in relation to Your policy, it will be dealt with in the Australian state or territory where You purchased the policy, and in accordance with the laws of that Australian state or territory.

## › Our agreement

When You have paid (or agreed to pay) the premium to Us, We will give You the cover described in this policy.

The policy consists of:

1. Your proposal;
2. this policy wording;
3. the Schedule.

From time to time and where permitted by law, We may change parts of the Policy. We will issue You with an endorsement or other document to update the relevant information except in limited cases. Any updates which are not materially adverse to You from the view of a reasonable person deciding whether to buy this insurance, may be found on the Rural Affinity's website at [rurallaffinity.com.au](http://rurallaffinity.com.au). You can obtain a paper copy of updated information without charge by calling Rural Affinity or Your intermediary.

## › Who is covered?

The person or organisation named in the Schedule is covered under this policy. In the policy wording and Schedule, they are referred to as "You" or "Your".

To protect anyone else with rights over Your Tree(s) (such as a finance provider) You should have them named on Your Schedule.

No interest in this policy can be transferred or assigned without written agreement by Us.

## › Period of cover

Cover begins 96 hours after 9am on the day We agree to accept Your proposal and ends at 4pm on the expiry date listed on Your Schedule.

## › The cover

This policy covers standing Trees against Destruction caused directly by an insured event from an Occurrence commencing during the period of cover.

The insured events are:

1. fire;
2. impact by a road or rail vehicle;
3. impact by an aircraft or anything dropped, ejected or sprayed from an aircraft, other than chemicals.

Where shown on Your Schedule, cover will also be provided for windstorm or impact by hail where We have approved Your proposal and You have agreed to pay any additional premium.

Claims will be settled according to the Basis of settlement and subject to the terms, exclusions and conditions of this policy.

The maximum amount We will pay for any claim under this policy is the Sum Insured shown on the Schedule, less any Excess, unless otherwise stated in the policy wording.

## > Additional benefits

The following benefits are automatically provided subject to:

1. The amount specified on Your Schedule for each of the additional benefits;
2. Where We have approved an increased limit for the additional benefit; and
3. You have agreed to pay any additional premium.

These covers are provided in addition to the Sum Insured.

### **Claims preparation costs**

We will pay for costs necessarily and reasonably incurred for the preparation of a valid claim under this policy. These costs must be approved by the loss adjuster before they are incurred.

The most We will pay during any one period of cover is \$10,000 or the amount specified on the Schedule, whichever is the greater.

### **Fire fighting costs**

We will pay for additional costs necessarily and reasonably incurred to extinguish a fire which is at or in the immediate vicinity of the Trees and poses a direct threat to the Trees. We will not pay Your normal expenses for staff and equipment overheads.

The most We will pay during any one period of cover is \$10,000 or the amount specified on the Schedule, whichever is the greater.

### **Harvested timber**

We will cover harvested Trees against Destruction caused directly by an insured event during the period of cover. Cover is only provided for up to 60 days following harvest and only while the Trees are at the plantation listed on the Schedule.

The most We will pay during any one period of cover is \$50,000 or the amount specified on the Schedule, whichever is the greater.

### **Claims mitigation expenses**

This additional benefit covers the reasonable additional expenses required to minimise or reduce the size of any claim under Your policy. The loss adjuster will determine the extent of any claims mitigation expenses. The most We will pay during any one period of cover is \$25,000 or the amount specified on the Schedule, whichever is the greater.

## > Optional benefits

The following optional benefits only apply where:

1. We have approved Your proposal for the optional benefit;
2. You have agreed to pay any additional premium; and
3. If Your Schedule states that the optional benefit applies.

These covers are provided in addition to the Sum Insured

### **Re-establishment costs**

Where We have paid a claim under this policy, We will pay You the costs incurred to replant Trees in any area which We have declared a total loss.

The most We will pay for this optional benefit is the re-establishment cost sum insured per hectare shown on Your Schedule for each hectare Destroyed.

### **Removal of debris**

If Your Trees have been Destroyed by an insured event and We have agreed to pay Your claim, We will also pay the reasonable and necessary cost of removing and disposing of the Destroyed Trees. The costs must be approved by the loss adjuster before they are incurred. If You need to remove insured Trees which have not been Destroyed in order to gain access to the Destroyed Trees for the removal of debris operation We will also consider;

1. those Trees as part of the claim under this benefit, and
2. the cost to clear those Trees as part of the claim under this benefit.

The most We will pay during any one period of cover is \$1,500 per hectare for each damaged hectare up to a maximum of \$50,000 or the amount specified on the Schedule, whichever is the greater.



## > Basis of settlement

The amount of any claim will be calculated as follows:

<b>multiply</b>	the Block Sum Insured by the Gross Loss Percentage.
<b>add</b>	any payments for “Additional Benefits” or “Optional Benefits”
<b>subtract</b>	the value of any Salvage
<b>subtract</b>	the Excess

### Total loss

If more than 60% of the Trees in a continuous damaged area are Destroyed, the remaining undamaged Trees will be considered Destroyed for the purpose of calculating the claim. However, the undamaged Trees must be harvested or cleared and will contribute to the value of any Salvage.

If more than 75% of the area of a block is Destroyed, at Your option, the remaining undamaged Trees will be considered part of the damaged area for the purpose of calculating the claim, provided You clear the entire area of the block.

## > Exclusions

This policy does not cover any claim arising directly or indirectly from:

1. war or warlike activities;
2. anything nuclear or radioactive;
3. insured events that occurred before the contract was entered into;
4. a deliberate act carried out by You or by any person acting with Your permission, except when it is to avoid or reduce damage that would otherwise happen;
5. lawful seizure, confiscation or requisition by an order of any Government, Public or Local Authority. We will pay for damage that occurs as a result of the order if it prevents or attempts to prevent a loss that would be covered under this policy; or
6. any act of Terrorism.

We will not pay for:

1. consequential loss of any kind;
2. any loss which is caused directly by snow, or which would not have occurred if snow had not been present;
3. any loss which is caused by pests, fungus or disease, including diplodia, regardless of whether the pests, fungus or disease occurred as a result of an insured event.

## > Claims conditions

### **In the event of a claim**

As soon as You become aware of any loss that may result in a claim under this policy You must:

1. contact Us as soon as possible (within 48 hours), telling Us the time that the loss occurred and the details of the Trees for which a claim is being made;
2. complete Our claim notification form and give it to Us promptly;
3. take all reasonable steps to reduce the loss and avoid any further loss or Destruction;
4. give Us and Our representatives free access to assess any claim;
5. try to get the details of any other person or property involved and details of any witness;
6. report to the police if You suspect arson or malicious damage. You must do this as soon as possible;
7. tell Us the identity of anyone who has an interest in the Trees;
8. tell Us about any other insurance which covers the Trees.

You must not do or say anything which may disadvantage Our ability to make a recovery against any other person.

In the event of a claim, Rural Affinity can be contacted on 02 9496 9300.

### **After Your claim is made**

After We have paid a claim under this policy, We have the right to take over any legal right of recovery which You have. If We do this, it will be for Our benefit and at Our expense. You must not do anything that prevents Us from doing this and You must give Us any information or assistance We require.

If anybody compensates You for loss or Destruction after We have paid a claim for the Trees, You must reimburse Us for that payment. You must do this as soon as the compensation is made.

## > General conditions

If You do not follow these conditions, We may refuse to pay or reduce a claim by an amount that fairly represents the extent to which Our interests have been prejudiced.

### **Care and Protection**

Reasonable care and protection must be taken to ensure the protection and preservation of the Trees at all times.

### **Cancelling the policy**

#### **By You**

You may cancel the policy by writing to Us. However, no premium will be returned if You cancel the policy.

#### **By Us**

We have a right to cancel this policy under certain circumstances. If We cancel Your policy, We will inform You in writing and refund all premium You have paid Us for the time remaining on the policy.

### **Inspections**

We (or Our representatives) have the right to inspect and examine, by mutual appointment, any Trees or records relating to Your plantation.

### **Underinsurance**

You must insure Your whole plantation.

If the actual area of Your plantation is found to be greater than the area insured, all claims will be reduced by the proportion that the insured area represents of the actual area.

## > Definitions

### **Block Sum Insured**

Means the amount shown on the Schedule.

### **Destroyed / Destruction**

Means Trees which are no longer fit for the Intended Purpose as shown on the Schedule as a direct result of an insured event.

### **Excess**

Means the amount You must contribute in the event of a claim, each and every Occurrence . We will not pay for Destruction up to the amount shown on the Schedule.

### **Gross Loss Percentage**

Means the number of Destroyed Trees in a block expressed as a percentage of the total number of Trees in the block.

### **Intended Purpose**

Means the intended end use of the Trees as shown on the Schedule.

### **Occurrence**

Means all losses which arise as a result of a single event or series of events. The duration of an Occurrence for each peril is as follows:

1. 168 hours for fire resulting from any one ignition point;
2. 24 hours for all other perils.

### **Salvage**

Means any income, less any costs associated with the Salvage effort, received from the sale or disposal of Trees for which a claim has been made. Costs associated with the Salvage effort will not include any normal staff or overhead costs incurred by You.

### **Schedule**

Is the document which contains details of the policy which are specific to You. If the policy is changed, We will give You an updated Schedule.

### **Terrorism**

Means an act, including but not limited to the use of force, violence or the threat thereof, of any person or group(s) of people, whether acting alone or on behalf of or in connection with any organisation(s) or government (s), which from its nature or context is done for, or in connection with political, religious, ideological, ethnic or similar purposes including the intention to influence any government and/or to put the public, or any section of the public in fear.

### **Trees**

Means the Trees described on the Schedule.

### **We/Us/Our**

Means Rural Affinity acting under a binder as an agent of Great Lakes Australia.

### **You/Your**

Means the person or organisation named in the Schedule as the insured.



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