



## > Broadacre Crop Policy Wording Post-Harvest Declaration

RABAPOH0618

## › Thankyou

### **For choosing to insure Your crop 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.

Effective June 2018

Rural Affinity Insurance Agency Pty Ltd

ABN 72 119 838 854 AFS Licence No. 302182

Underwritten by certain underwriters at Lloyd's

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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 a Lloyd's coverholder pursuant to a binding authority agreement.

### Who is the Insurer?

This insurance is underwritten by certain underwriters at Lloyd's. More information regarding the insurer can be found on our website at <http://ruralaffinity.com.au/about-the-insurer>.

### General Insurance Code of Practice

This policy is Insurance Council of Australia's General Insurance Code of Practice compliant, apart from any claims adjusted outside Australia. Underwriters at Lloyd's proudly support the General Insurance Code of Practice. The purpose of the Code is to raise standards of practice and service in the General insurance industry. You can access the Code at [www.codeofpractice.com.au](http://www.codeofpractice.com.au).

### Change to the policy wording

From time to time and where permitted by law, We may change parts of the policy wording. We will issue You with a new policy wording or an endorsement if the change will adversely affect You. For any updates which are not materially adverse to You from the view of a reasonable person deciding whether to buy this insurance, We may either:

- communicate the changes to You at the earliest opportunity; or
- issue an update on the Rural Affinity's website.

You can also contact Rural Affinity to find out what changes might have occurred and/or to obtain a paper copy of such notices on request.

### 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). You need to tell Us immediately of any new information or changes to the answers that have been provided to Us and/or the disclosures You have made to Us throughout the Policy Period.

### What You do not need to tell Us

You do not need to tell Us about any matter:

1. that diminishes Our risk;
2. that is of common knowledge;
3. that We know or should know as an insurer; or
4. that We tell You We do not need to know.

### Who does the duty apply to?

Everyone who is insured under this policy must comply with the duty.

### What happens if You or they do not comply with the duty?

If You or they do not comply with this duty, We may cancel the policy or reduce the amount We pay if You make a claim. If the non-disclosure is fraudulent, We may treat the policy as if it never existed and pay nothing.

› Important information (continued)

### Privacy

We 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 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 services providers and related entities who carry out activities on Our behalf, such as assessors and facilitators, some of whom may be located in overseas countries. Our contractual arrangements generally include an obligation for these reinsurers, service providers and related entities to comply with Australian privacy laws.

By providing Us 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 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 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 may not be able to assess Your application or administer and manage Your insurance policy and respond to any claim that You make.

Our 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 Rural Affinity’s Privacy Policy at [www.ruralaffinity.com.au/privacy](http://www.ruralaffinity.com.au/privacy).

### 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. Our staff member will offer to refer the matter to our Internal Dispute Resolution Officer, or you can Contact Our Internal Disputes Resolution Officer on (02) 9496 9300. We will acknowledge receipt of Your complaint in writing within 2 working days.

If the complaint relates to the insurance cover 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 not satisfied with the response from Our Internal Disputes Resolution Officer, You can contact Lloyd’s Australia to request a review of the complaint.

Contact details for Lloyd’s Australia Limited:  
Level 9, 1 O’Connell Street, Sydney, NSW, 2000  
(02) 8298 0783 | [ldraustralia@lloyds.com](mailto:ldraustralia@lloyds.com)

If your dispute is not resolved in a manner satisfactory to you, you may refer the matter for review under an External Dispute Resolution Scheme using the contact details provided below.

#### For disputes prior to 1 November 2018:

Financial Ombudsman Service (FOS)  
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.au](mailto:info@fos.org.au)

#### For disputes from 1 November 2018:

Australian Financial Complaints Authority (AFCA)  
For further details You can visit their website  
[www.afc.org.au](http://www.afc.org.au) or contact them:  
GPO Box 3, Melbourne, VIC, 3001  
1800 931 678 | [info@afc.org.au](mailto:info@afc.org.au)

Further details regarding our complaints process are available on request.

## › Important information (continued)

### Service of Suit Clause

In accepting this insurance We agree that:

1. if a dispute arises under this insurance, this insurance will be subject to Australian law and practice and We will submit to the jurisdiction of any competent Court in the Commonwealth of Australia;
2. any summons notice or process to be served upon Us may be served upon:  
Lloyd's Underwriters' General Representative in Australia  
Level 9, 1 O'Connell Street  
Sydney, NSW 2000  
who has authority to accept service and to enter an appearance on Our behalf;

if a suit is instituted against any of Us, We will abide by the final decision of such Court or any competent Appellate Court.

### Several Liability Notice

The obligations of any underwriter at Lloyd's under this insurance are several and not joint and are limited solely to the extent of each underwriters individual subscription. The subscribing underwriters are not responsible for the subscription of any co-subscribing underwriter who for any reason does not satisfy all or part of its obligations.

### 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 Crop(s) grown;
3. the location of the Crop(s);
4. the Excess which applies;
5. the Sum Insured; and
6. the information You have disclosed to Us.

### 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 11-12 of this policy wording.

### Important conditions

In this policy wording there are conditions which may impact the size of a claim or affect the amount of premium We will charge. These conditions are explained in the general conditions on page 9-10 of this policy wording.

These conditions include:

1. Alterations to cover;
2. Audit;
3. Care and protection;
4. Cancelling the policy;
5. Crop failure;
6. Insured Yield and Insured Value revision;
7. Premium payment;
8. Yield declaration; and
9. Underinsurance.

### Non-renewable policy

This policy is not a renewable policy and ends when the policy ends in accordance with the policy terms or law. If You wish to arrange similar insurance with Us for the next season, You will need to complete a new proposal and enter into a new policy (if the proposal is accepted by Us).

## › Important information (continued)

### Yield

In this policy wording the term 'Yield' has a special meaning which is shown in the Definitions section on page 11-12 of the policy wording.

Please ensure You understand the restrictions which apply to the Yield after the Final Revision Date (i.e the Yield cannot be less than 75% or more than 125% of the Insured Yield). This may impact the amount of premium You will be required to pay and/or the amount payable in the event of a claim.

### 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.

### A claim may be refused

We may refuse to pay or reduce the amount We pay under a claim if You do not comply with the policy conditions, if You do not comply with Your duty of disclosure, or if You make a fraudulent claim.

## › 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; and
4. any documents We tell You form part of the policy (such as endorsements).

## › 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 Crop(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

If We have provided You with automatic temporary cover, and We accept Your proposal before that cover expires, the period of cover will begin on the Acceptance Date shown on Your Schedule.

If automatic temporary cover has not been provided or has expired, the period of cover will begin 48 hours after 9am local time on the Acceptance Date shown on Your Schedule.

The period of cover ends on the Expiry Date shown on Your Schedule, unless the policy is cancelled or ends earlier.

Cover for unharvested Crops ends at 4pm on the date shown on Your Schedule, unless the policy is cancelled or ends earlier.

## › The cover

This policy covers growing Crop(s) against loss of Potential Yield caused directly and solely by an insured event which occurs during the period of cover.

The insured events are:

1. fire and impact by hail; or
2. fire only.

Your Schedule shows which insured events are covered.

Claims will be settled according to the basis of settlement and are 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 Your Schedule, less any Excess, unless otherwise stated in the policy.

## › Additional benefits

If Your Schedule states that cover is for "fire and impact by hail", the following additional benefits apply.

### Chemical overspray

This additional benefit covers You against loss of Potential Yield to Crop(s) during the period of cover caused directly by chemicals that have drifted from spraying operations.

We will not cover loss:

1. due to chemicals sprayed by You or by somebody acting on Your behalf; or
2. due to chemicals applied by any aircraft; and
3. unless You provide Us with the name and contact details of the person or entity responsible for the spray drift.

Claims will be settled according to the basis of settlement for growing Crop(s). The most We will pay during any one period of cover is \$100,000. An Excess of \$500 applies to each and every claim.

### Harvested Crop(s) stored in a silo or enclosed building

This additional benefit covers loss or destruction of grain from harvested Crop(s) during the period of cover while stored in a soundly constructed, fully enclosed building or sealed, fixed or movable silo (not including a field bin, chaser bin, bunker or pit) located at the property specified on Your Schedule, caused directly by:

1. fire or lightning; or
2. explosion; or
3. earthquake; or
4. wind; or
5. entry of water from outside of the silo or enclosed building, not including flood. Flood is the escape of water from a natural or modified watercourse, lake or dam resulting in the flow onto land which is normally dry; or
6. impact by livestock or land vehicle; or
7. impact by aircraft, other aerial device or article dropped from them, not including chemical substances.

Claims will be settled according to the basis of settlement for harvested Crop(s). The most we will pay during any one period of cover is \$100,000. An Excess of \$500 applies to each and every claim.

### Baled Hay from harvested Crop(s)

This additional benefit covers loss or destruction of Baled Hay from harvested Crop(s) while at the property specified on Your Schedule provided the loss or destruction is caused by fire.

Cover for Baled Hay is only provided where Your Crops have been insured for hay as shown on Your Schedule.

Claims will be settled according to the basis of settlement for harvested Crop(s). The most we will pay during any one period of cover is \$25,000. An Excess of \$500 applies to each and every claim.

› Additional benefits (continued)

### Harvested Crop(s) stored in silo bags or field bins

This additional benefit covers loss or destruction of grain from harvested Crop(s) stored in silo bags, field bins or chaser bins located at the property specified on Your Schedule, provided the loss or destruction is caused by fire.

Claims will be settled according to the basis of settlement for harvested Crop(s). The most We will pay during any one period of cover is \$25,000. An Excess of \$500 applies to each and every claim.

### Livestock intrusion

This additional benefit covers You against loss of Potential Yield to Crop(s) caused by the intrusion of straying livestock onto the property specified on Your Schedule during the period of cover.

We will not cover loss:

1. caused by livestock owned by You or in Your physical or legal control; or
2. where Your Crop(s) are not fenced; or
3. caused by livestock located on the property, including agisted livestock; or
4. where a gate or fence is not suitably constructed or maintained to prevent the entry of livestock (under normal circumstances); or
5. where livestock enter through gates or a fence which have been left open.

We will not cover Your loss unless You provide Us with the name and contact details of the person or entity responsible for the livestock.

Claims will be settled according to the basis of settlement for growing Crop(s).

The most We will pay during any one period of cover is \$100,000. An Excess of \$500 applies to each and every claim.

### Transit

This additional benefit covers You against loss of grain or Baled Hay from fire, impact, collision and overturning of the carrying vehicle whilst harvested Crop(s) are in transit by road during the period of cover.

We will not cover loss or destruction to grain or Baled Hay when carried:

1. in an overloaded or unroadworthy vehicle; or
2. in an uncovered or inadequately constructed vehicle or bin.

We will not cover loss:

1. due to unexplained grain or Baled Hay shortage; or
2. due to gradual loss of grain or Baled Hay; or
3. whilst the harvested Crop(s) is being loaded or unloaded; or
4. due to Your failure to properly secure the load, a tailgate or any other mechanism allowing the escape of grain from a bin or vehicle during transit.

Claims will be settled according to the basis of settlement for transit. An Excess of \$500 applies to each and every claim.

### Claim mitigation expenses

This additional benefit covers the reasonable additional expenses You actually incur to minimise or reduce the size of any claim under Your policy. This includes any costs associated with replanting where required.

All claim mitigation expenses must be approved by the loss adjuster and incurred in accordance with their instructions.

The most We will pay for this benefit during the period of cover is \$150 per damaged hectare.

No Excess applies to this additional benefit.

## › Additional benefits (continued)

### Fire fighting expenses

This additional benefit covers the reasonable and necessary costs that You actually incur to extinguish a fire which is at or in the immediate vicinity of Your Crop(s) and poses a direct threat. This may include the loss of Potential Yield from the need to create a fire break or loss of Potential Yield as a result of fire fighting appliances travelling through the Crop to prevent the spread of fire. We will not pay Your normal expenses for staff and equipment overheads.

The most We will pay during any one period of cover is \$5,000.

No Excess applies to this additional benefit.

## › Basis of settlement

### Growing Crop(s)

Claims for growing Crop(s) are calculated by Paddock.

The amount of any claim will be calculated by multiplying the Net Loss Percentage by the Sum Insured less a policy Excess of \$1,000.

Refer to page 16 for claim examples.

We will not pay for any loss until all premium has been paid.

### Harvested Crops and transit

The amount of any claim will be calculated by multiplying the quantity of grain or Baled Hay lost or destroyed by the Insured Value less the Excess.

We will not pay for any loss until all premium has been paid.

## › Exclusions

We will not pay for:

1. loss or damage to hay or Baled Hay, unless the Crop is noted as a hay Crop on Your Schedule; or
2. loss of quality, nutritional value, germination ability, contamination or grade of seed, hay, Baled hay, Stubble or Straw; even if it is caused by an insured event; or
3. consequential loss of any kind; or
4. loss or damage to Crops that are grazed after the most advanced part of the Crop has reached first jointing; or
5. loss of Potential Yield caused by weeds or pests, regardless of whether the weeds or pests occur as a result of an insured event; or
6. loss or damage to growing Crop(s) caused by wind or water, even if the water results from melting hail; or
7. loss of Potential Yield caused by disease to the growing Crop(s) unless the disease is caused directly by an insured event; or
8. rejection of the Crop by a buyer or delivery site even if it is caused by an insured event; or
9. loss of Potential Yield caused by a fire which results from You or Your representative harvesting the Crop in breach of any law, regulation, by-law or ordinance (e.g. harvesting on a harvest ban day); or
10. claims for losses for which insurance is prohibited by law.

› Exclusions (continued)

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

1. any consequence of war or warlike activities which includes invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection, use of military or usurped power, looting, sacking or pillaging following any of these or the expropriation of property;
2. any consequence of ionizing radiation or radioactive contaminations from any nuclear fuel or waste which results from the burning or fission of nuclear fuel. The radioactive, toxic, explosive or other dangerous properties of nuclear machinery or any part of it. Nuclear weapons material, nuclear pollution or contamination. The radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter;
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 or loss 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;
6. any act of Terrorism, including any action taken in controlling, preventing, suppressing or in any way relating to any act of Terrorism and including any costs or expenses arising directly or indirectly from any act of Terrorism; or
7. the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

**Sanctions Limitation and Exclusion Clause**

We will not pay any claim or be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose Us to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

› 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 Crop(s) involved;
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. try to get the details of any other person or property involved and details of any witness;
5. report to the police if You suspect arson or malicious damage. You must do this as soon as possible;
6. tell Us the identity of anyone who has an interest in the Crop;
7. tell Us about any other insurance which covers the growing Crop or harvested Crops.

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.

## › Claims conditions (continued)

### Appointment of loss adjuster

Where We identify that Your claim needs to be assessed, We will appoint the loss adjuster to evaluate Your claim under this policy. You must:

1. give Us or the loss adjuster free access to Your crops;
2. provide necessary documentation requested by Us or the loss adjuster, including a map of Your property indicating the Paddocks which have been damaged; and
3. accompany the loss adjuster, or appoint someone to accompany the loss adjuster on Your behalf.

The loss adjuster may make recommendations with regards to Your claim. However, We reserve the right to decide whether the loss is covered under this policy and the amount of the claim settlement.

### If Your Crop(s) are ready for harvest

If the loss or damage occurs to Crop(s) that are ready for harvest, You may harvest the Crop(s) providing You:

1. leave five sample areas that are approximately ten metres long and ten metres wide in every forty hectares of Crop. These samples should be representative of the area and should not include areas of poor growth, trees, fence lines, gateways or areas with poor drainage.
2. leave the entire Standing Straw/Stubble until it has been inspected by the loss adjuster. It must not be grazed, cultivated, cut or interfered with in any way until the claim has been assessed.

### 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 to Crop after We have paid a claim for the Crop, 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 reduce the size of a claim or charge an additional premium to reflect the extent to which Our interests have been prejudiced.

### Alterations to cover

Where changes have been made to Your insurance cover, any increase in Sum Insured will take effect 48 hours after 9am local time on the Alteration Date. Any decreases in Sum Insured will take effect immediately on the Alteration Date.

### Audit

We may inspect Your Crops or records to determine the Yield. You must provide Us with any information or assistance We require. This may include providing Us with access to Crop records, yield monitor output or grain delivery receipts.

### Care and protection

Reasonable care must be taken to ensure the protection and preservation of the Crop(s) at all times. All Crop(s) must be harvested as soon as possible and without undue delay.

If harvest is delayed for an unreasonable period of time, the Crop will be considered abandoned and no claim will be payable.

› General conditions (continued)

### **Cancelling the policy**

#### **By You**

You may cancel the policy by writing to Us. You will still be required to pay the full premium 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 (or agreed to pay) Us for the time remaining on the policy.

### **Crop failure**

If a Crop fails due to seasonal conditions, We will allow You to cancel the cover, providing You notify Us of the Crop failure prior to the Final Revision Date and We agree that the crop has failed due to seasonal conditions. No premium will be charged on the failed Crop.

### **Insured Yield and Insured Value revision**

Your Schedule shows the Insured Yield and Insured Value for each Crop. Subject to Our approval, You may amend the Insured Yield or Insured Value at any time up until the Final Revision Date.

You cannot amend the Insured Yield or Insured Value after a claim without Our prior approval. If a claim has occurred, the claim will be calculated in accordance with the cover in place at the time of the loss.

Where a claim occurs prior to the Final Revision Date and We agree to accept a reduction to the Insured Value, the reduction will be applied to all Crops of that crop type, including those for which there is a claim.

Any increase to the Insured Yield or Insured Value will not take effect until 48 hours after 9am local time on the Alteration Date.

### **Premium payment**

The amount of premium You are required to pay will be calculated after harvest by applying the rate to the Sum Insured. Payment is required by the date specified on the invoice.

### **Yield declaration**

Within 21 days of harvesting Your Crops, You must complete and return the yield declaration which was provided by Us. If You do not provide a yield declaration, We will calculate Your Sum Insured and premium based on a Yield 25% higher than the Insured Yield.

### **Underinsurance**

Unless specified on Your Schedule, if the total actual area of crop grown and/or sharefarmed by You is found to be greater than the total of the insured Area(s) and We are unable to clearly identify from Your Schedule which crops are insured and not insured, all losses will be reduced in accordance with the proportion the total of the insured Area(s) represent of the total actual area grown and/or sharefarmed by You.

## > General conditions (continued)

Example	
Assumptions	
Total actual area	1,000ha
Total of the insured Area(s)	500ha
Yield	1.0 tonne/ha
Insured Value	\$200 per tonne
Insured Percentage	100%
Area damaged	75ha
Net loss Percentage	10%
Calculation	
Loss	\$1,500 (i.e 1.0 tonne/ha x \$200 per tonne x 100% x 75ha x 10%)
Claim payable	\$750 (i.e \$1,500 x 500ha/1,000ha)

## > Definitions

### Acceptance Date

Means the Acceptance Date listed on Your Schedule.

### Alteration Date

Means the Alteration Date listed on Your alteration Schedule.

### Area

Means the hectares of Crop in each Paddock nominated by You and shown in Your Schedule. In the event of a claim:

1. The area of an affected Crop used to calculate the Sum Insured will be the lesser of the area shown on Your Schedule or the actual area of the Crop grown in each Paddock;
2. Where the area of a Paddock is greater than 200 hectares, the Paddock will be split into equal units of no less than 100 hectares with the split east and west by a line travelling north to south and segmented by the loss adjuster at the time of the loss.

### Baled Hay

Means growing Crop(s) that have been cut and baled and have been insured for 'hay' as shown on Your Schedule. Baled Hay does not mean baled Straw or Stubble.

### Crop(s)

Means the insured Crop(s) described on Your Schedule.

### Excess

Means the amount that You must bear in the event of a claim. If You have started to harvest the Crop(s), the Excess will only be applied to the unharvested portion of the Crop. No Excess applies to for fire losses to growing Crop(s).

### Expiry Date

Means the Expiry Date listed on Your Schedule.

### Final Revision Date

Means the Final Revision Date listed on Your Schedule.

### Insured Value

Means the value per tonne nominated by You and agreed by Us, as shown on Your Schedule.

› Definitions (continued)

**Insured Yield**

Means the average tonnes per hectare nominated by You and agreed by Us as shown on Your Schedule.

**Harvested Yield**

Is the average tonnes per hectare harvested from the Crop(s).

**Net Loss Percentage**

Means the percentage loss of Potential Yield determined by a loss adjuster, less the percentage Excess listed on Your Schedule.

**Paddock**

Means a field which is clearly identifiable from other fields by either the variety of crop grown, a fence, an irrigation channel, a road or laneway. Each Paddock must be listed separately on Your Schedule.

**Percentage Insured**

Means the percentage listed on Your Schedule. It reflects the proportion of the Crop to be insured.

**Potential Yield**

Means the average tonnes per hectare that would have been harvested from the Crop if the insured event had not occurred.

Unless Your Crop is described as a hay Crop on Your Schedule, the Potential Yield will be the yield of grain. Where the Crop is described as a hay Crop on Your Schedule, the Potential Yield will be the yield of dry matter.

The Potential Yield will take into account all relevant factors affecting the growth of the Crop including factors which take place subsequent to the insured event.

**Schedule**

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

**Standing Straw/Stubble**

Means the stem of a plant remaining after the Crop(s) has been harvested.

**Sum Insured**

Means the amount calculated as follows:

Sum Insured = Yield x Insured Value x Area (ha) x Percentage Insured

**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.

**We/Us/Our**

Means Rural Affinity acting as a Lloyd's coverholder pursuant to a binding authority agreement.

**Yield**

If You have a claim on or prior to the Final Revision Date, the Yield is the Potential Yield. If You have a claim after the Final Revision Date, the Yield will be the Potential Yield but cannot be less than 75% or more than 125% of the Insured Yield. If You have not had a claim, the Yield is the Harvested Yield but cannot be less than 75% or more than 125% of the Insured Yield.

**You/Your**

Means the person or organisation named on Your Schedule as the insured.

## › Optional benefits

### Reducing Excess

This benefit only applies if Your Schedule states that “the reducing Excess benefit applies”.

If the percentage loss per Crop exceeds 20%, the Excess will be reduced by 0.5% for every 1% increase over and above the said 20%.

For example:

LOSS	EXCESS				
	0-20%	5%*	10%*	15%*	20%*
21%		4.5%	9.5%	14.5%	19.5%
22%		4.0%	9.0%	14.0%	19.0%
23%		3.5%	8.5%	13.5%	18.5%
24%		3.0%	8.0%	13.0%	18.0%
25%		2.5%	7.5%	12.5%	17.5%
26%		2.0%	7.0%	12.0%	17.0%
27%		1.5%	6.5%	11.5%	16.5%
28%		1.0%	6.0%	11.0%	16.0%
29%		0.5%	5.5%	10.5%	15.5%
30%		0.0%	5.0%	10.0%	15.0%
31%			4.5%	9.5%	14.5%
32%			4.0%	9.0%	14.0%
33%			3.5%	9.5%	13.5%
34%			3.0%	8.0%	13.0%
35%			2.5%	7.5%	12.5%
36%			2.0%	7.0%	12.0%
37%			1.5%	6.5%	11.5%
38%			1.0%	6.0%	11.0%
39%			0.5%	5.5%	10.5%
40%			0.0%	5.0%	10.0%
41%				4.5%	9.5%
42%				4.0%	9.0%
43%				3.5%	8.5%
44%				3.0%	8.0%
45%				2.5%	7.5%
46%				2.0%	7.0%
47%				1.5%	6.5%
48%				1.0%	6.0%
49%				0.5%	5.5%
50%				0.0%	5.0%
51%					4.5%
52%					4.0%
53%					3.5%
54%					3.0%
55%					2.5%
56%					2.0%
57%					1.5%
58%					1.0%
59%					0.5%
60%					0.0%

\*represents the Excess listed on Your Schedule

› Optional benefits (continued)

**Market value**

This option applies by Paddock and the Paddock(s) to which they apply are marked in the Crop details section of Your Schedule.

The meaning of Insured Value in the 'Definitions' section on pages 11 – 12 is replaced with the following:

**Insured value**

Means the value per tonne nominated by You and agreed by Us, as shown on Your Schedule.

Where You have selected the Market Value for a Crop, Your Schedule will show a code until the Insured Value for the Crop is determined as follows:

CROP TYPE	CODE	DESCRIPTION
ASX Eastern Australia Wheat	WM	ASX futures contract for Eastern Australia milling wheat. Maturity shown on Your Schedule.
ASX WA Wheat	WK	ASX futures contract for Western Australia milling wheat. Maturity date shown on Your Schedule.
Profarmer Wheat (APW1)	PFWHE	'Profarmer Average Price' for the selected delivery location shown on Your Schedule.
ASX Eastern Australia Feed Barley	UB	ASX futures contract for Eastern Australian feed barley. Maturity date shown on Your Schedule.
Profarmer Barley (F1)	PFBAR	'Profarmer Average Price' for the selected delivery location shown on Your Schedule.
ASX Eastern Australia Canola	VC	ASX futures contract for Eastern Australian canola. Maturity date shown on Your Schedule.
Profarmer Canola	PFCAN	'Profarmer Average Price' for the selected delivery location shown on Your Schedule.
ASX Australian Sorghum	US	ASX futures contract for sorghum. Maturity date shown on Your Schedule.
Profarmer WA Lupins	PFLUP	'Profarmer Average Price' for the Western Australia delivery location shown on Your Schedule.

For Crops (other than sorghum) grown in Queensland or New South Wales – the Insured Value will be the average of the ASX settlement price or daily 'Profarmer Average Price' for the last 5 'Trading Days' in October during the period of cover, plus or minus the agreed 'Adjustment'.

For Crops (other than sorghum) not grown in Queensland or New South Wales – the Insured Value will be the average of the ASX settlement price or daily 'Profarmer Average Price' for the 11th to 15th 'Trading Day' in November during the period of cover, plus or minus the agreed 'Adjustment'.

For Sorghum Crop(s) – the Insured Value will be the average ASX settlement price for the last 5 'Trading Days' in March during the period of cover, plus or minus the agreed 'Adjustment'.

The 'Profarmer Average Price' is the daily average of the merchant prices published by Profarmer Grain Australia for the nominated delivery site. If for any reason 'Profarmer' or ASX data is not available, a fair market value for the commodities described in the table above will be determined by Rural Affinity using any reasonable means. The value will be for the Crop meeting normal delivery standards for that commodity.

## › Optional benefits (continued)

'ASX' means the Australian Securities Exchange. Refer to [www.asx.com.au](http://www.asx.com.au) for the relevant ASX grain futures data.

A 'Trading Day' is a day on which the ASX is open for trading business.

'Adjustment' means the amount nominated by You and agreed by Us for each Code, as shown on Your Schedule.

### Fixed value

This option applies by Paddock and the Paddock(s) to which they apply are marked in the Crop details section of Your Schedule.

Where this option applies, the Insured Value(s) are fixed and cannot be altered. The general condition of Insured Yield and Insured Value revision on page 9 is replaced with the following:

#### Insured Yield revision

Your Schedule shows the Insured Yield and Insured Value for each Crop. Subject to Our approval, You may amend the Insured Yield at any time up until the Final Revision Date.

You cannot amend the Insured Yield after a claim without Our prior approval. If a claim has occurred, the claim will be calculated in accordance with the cover in place at the time of the loss.

Any increase to the Insured Yield will not take effect until 48 hours after 9am local time on the Alteration Date.

### Fixed benefit

This option applies by Paddock and the Paddock(s) to which they apply are marked in the Crop details section of Your Schedule.

Where this option applies, the Insured Value(s) and Insured Yield(s) are fixed and cannot be altered.

The general condition of Insured Yield and Insured Value revision on page 9 is deleted.

### Standing Stubble or Straw

Where there is loss or destruction of standing Stubble or Straw from Your harvested Crop(s) caused directly by fire, We will pay the reasonable and necessary additional costs incurred by You to feed or agist livestock belonging to You. No cover is provided unless the Crop has been harvested.

The additional expenses must be incurred within 12 months after the date of loss or destruction.

The most We will pay is \$100 per damaged hectare. The most We will pay during any one period of cover is \$25,000. An Excess of \$500 applies to each and every claim.

› Claim examples

**Example A**

**Assumptions**

Percentage loss of Potential Yield	20.0%
Area	100ha
Insured Value	\$200 per tonne
Percentage Excess	5.0%
Policy Excess	\$1,000
Potential Yield	2.25 tonnes/ha
Insured Yield	2.0 tonnes/ha
Date of loss	Before the Final Revision Date

**Calculation**

Yield	2.25 tonnes/ha
Sum Insured	\$45,000 (2.25tonnes/ha x 100ha x \$200 per tonne)
Net Loss Percentage	15.0% (ie. 20.0% - 5.0% percentage Excess)
Claim payment	\$5,750 (\$45,000 x 15.0% - \$1,000 policy Excess)

**Example B**

**Assumptions**

Percentage loss of Potential Yield	20.0%
Area	100ha
Insured Value	\$200 per tonne
Percentage Excess	5.0%
Policy Excess	\$1,000
Potential Yield	1.0 tonnes/ha
Insured Yield	2.0 tonnes/ha
Date of loss	After the Final Revision Date

**Calculation**

Yield	1.5 tonnes/ha (i.e For the purpose of calculating the Sum Insured the Yield cannot be less than 75% of the Insured Yield)
Sum Insured	\$30,000 (1.5tonnes/ha x 100ha x \$200 per tonne)
Net Loss Percentage	15.0% (ie. 20.0% - 5.0% percentage Excess)
Claim payment	\$3,500 (\$30,000 x 15.0% - \$1,000 policy Excess)



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