



> Cotton Crop Policy Wording

Rainfall Downgrade

RACORA1118

› 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 November 2018

Rural Affinity Insurance Agency Pty Ltd

ABN 72 119 838 854 AFS Licence No. 302182

Underwritten by certain underwriters at Lloyd's

Table of contents

Important information _____	2	Basis of settlement _____	6
Who is Rural Affinity?		Exclusions _____	7
Who is the Insurer?		Claims conditions _____	8
General Insurance Code of Practice		In the event of a claim	
Change to the policy wording		Appointment of Loss Adjuster	
Your Duty of Disclosure		After Your claim is made	
Privacy		General conditions _____	9
Dispute resolution		Care and protection	
Service of suit Clause		Cancelling the policy	
Several Liability Notice		Harvest declaration	
Cost of insurance		Premium payment	
Words with special meaning		Requirement to insure all cotton crops	
Important conditions		Definitions _____	10
Jurisdiction		Appendix A _____	11
A claim may be refused			
Our agreement _____	5		
Who is covered? _____	5		
Period of cover _____	5		
The cover _____	5		

› 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.

Change to the policy wording

From time to time and where permitted by law, We may change parts of the policy wording. We will only do so if, from the view of a person deciding whether to buy this insurance, the changes are not materially adverse to You. If We make such changes 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, that 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 vary Your contract of insurance. The duty applies until the policy is entered into (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 insurers, reinsurers and service 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 insurers, 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 insurers, 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, 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 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 | idaustralia@lloyds.com

If your dispute is not resolved in a manner satisfactory to you, you may refer the matter to the Australian Financial Complaints Authority (AFCA).

For further details You can visit their website www.afca.org.au or contact them:

GPO Box 3, Melbourne, VIC, 3001
1800 931 678 | info@afca.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:

- (i) 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;
- (ii) 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 location of the Crop(s); and
3. the Excess which applies.

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.

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 of this policy wording. These conditions include:

1. Care and protection;
2. Cancelling the policy;
3. Harvest declaration; and
4. Requirement to insure all cotton crops.

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.

› Important Information (continued)

› 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; and
3. Your 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 ruralaffinity.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 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

The period of cover will begin on the Acceptance Date shown on the Schedule and ends on the Expiry Date shown on Your Schedule.

› The cover

This policy covers growing Crops for Quality loss caused by rainfall occurring after boll opening and ending after the crop has been harvested or at the end of the period of cover (whichever occurs first).

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

➤ Basis of settlement

Step 1

For each Bale You produce, We will determine the price discount due to Quality by using the classing results provided by the buyers of Your Crop and the discount tables shown below.

Your Crop must be classed by a member of Cotton Classers Association of Australia. If either You or We disagree with the classing of Your Crop, Your Crop will be submitted to the Cotton Classers Association of Australia Review Committee and will be classed in accordance with that Association's review procedure.

Colour		Leaf Code	Discount (\$ per bale)	
Grade	Code			
White	Good Middling	11	1 & 2	\$0.00
	Good Middling	11	3	\$0.00
	Good Middling	11	4	\$9.70
	Good Middling	11	5	\$46.50
	Good Middling	11	6 & 7	\$81.30
	Strict Middling	21	1 & 2	\$0.00
	Strict Middling	21	3	\$0.00
	Strict Middling	21	4	\$24.30
	Strict Middling	21	5	\$50.00
	Strict Middling	21	6 & 7	\$81.30
	Middling	31	1, 2 & 3	\$0.00
	Middling	31	4	\$34.70
	Middling	31	5	\$66.00
	Middling	31	6 & 7	\$91.70
	Strict Low Middling	41	1, 2 & 3	\$75.00
	Strict Low Middling	41	4	\$81.30
	Strict Low Middling	41	5	\$99.30
	Strict Low Middling	41	6 & 7	\$126.40
	Low Middling	51	1, 2 & 3	\$104.20
	Low Middling	51	4	\$111.10
	Low Middling	51	5	\$116.00
	Low Middling	51	6 & 7	\$143.80
	Strict Good Ordinary	61	1, 2, 3 & 4	\$144.40
	Strict Good Ordinary	61	5	\$159.70
	Strict Good Ordinary	61	6 & 7	\$173.60
	Good Ordinary	71	1, 2, 3 & 4	\$149.30
	Good Ordinary	71	5	\$159.70
	Good Ordinary	71	6 & 7	\$173.60
Light Spotted	Good Middling	12	1 & 2	\$27.80
	Good Middling	12	3	\$39.60
	Good Middling	12	4	\$62.50
	Good Middling	12	5	\$81.30
	Good Middling	12	6 & 7	\$122.90
	Strict Middling	22	1 & 2	\$27.80
	Strict Middling	22	3	\$39.60
	Strict Middling	22	4	\$62.50
	Strict Middling	22	5	\$81.30
	Strict Middling	22	6 & 7	\$122.90

Colour		Leaf Code	Discount (\$ per bale)	
Grade	Code			
Light Spotted	Middling	32	1 & 2	\$76.40
	Middling	32	3	\$78.50
	Middling	32	4	\$85.40
	Middling	32	5	\$95.10
	Middling	32	6 & 7	\$118.10
	Strict Low Middling	42	1, 2 & 3	\$104.20
	Strict Low Middling	42	4	\$111.10
	Strict Low Middling	42	5	\$138.90
	Strict Low Middling	42	6 & 7	\$166.70
	Low Middling	52	1, 2 & 3	\$166.70
	Low Middling	52	4	\$172.20
	Low Middling	52	5	\$191.00
	Low Middling	52	6 & 7	\$208.30
	Spotted	Strict Good Ordinary	62	1, 2, 3, 4 & 5
Strict Good Ordinary		62	6 & 7	\$208.30
Strict Middling		23	1 & 2	\$83.30
Strict Middling		23	3	\$93.80
Strict Middling		23	4	\$113.20
Strict Middling		23	5	\$147.90
Strict Middling		23	6 & 7	\$166.70
Middling		33	1 & 2	\$93.80
Middling		33	3	\$111.10
Middling		33	4	\$135.40
Middling	33	5	\$166.70	
Middling	33	6 & 7	\$166.70	
Spotted	Strict Low Middling	43	1, 2 & 3	\$135.40
	Strict Low Middling	43	4	\$152.80
	Strict Low Middling	43	5	\$166.70
	Strict Low Middling	43	6 & 7	\$210.40
	Low Middling	53	1, 2, 3 & 4	\$173.60
	Low Middling	53	5	\$173.60
Low Middling	53	6 & 7	\$250.00	
Below Grade	85		\$250.00	

› Basis of settlement (continued)

Step 2

The total price discount due to Quality will be calculated by adding together the price discounts for each Bale produced.

Step 3

The amount of Your claim will be determined by subtracting the Excess from the total price discount due to Quality (calculated in step 2).

See Appendix A on page 11 for an example of a claim.

Time of claim payment

We will not pay for any claim until:

1. after the Crop has been processed by the gin;
2. the classing results are provided by the buyers of Your Crop; and
3. all premium has been paid.

› 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 loss or any penalties for:

1. Flood and inundation;
2. staple strength or micronaire;
3. 'stickiness' or 'honeydew';
4. uniformity or preparation;
5. seed coat fragment;
6. neps or short fibre index;
7. the rejection of cotton by a buyer (or merchant); or
8. consequential loss of any kind.

› 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. 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. tell Us the identity of anyone who has an interest in the Crop(s);
7. tell Us about any other insurance which covers the Crop(s).

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.

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 farm map for the insured Area at the time of assessment, a harvest declaration with supporting ginning summary sheets, or yield monitor data;
3. ensure that You or Your authorised representative are present during the assessment with the Loss Adjuster.

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.

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 anyone compensates You for loss, damage or destruction to the 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.

If You do not follow these conditions, We may reduce the size of a claim or amend the premium to reflect the extent to which Our interests have been prejudiced.

› General conditions

If You do not follow these conditions, We may reduce the size of a claim or amend the premium to reflect the extent to which Our interests have been prejudiced.

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.

Cancelling the policy

By You

You may cancel the policy by writing to Us. You will still be required to pay the 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.

Harvest declaration

If You do not provide a harvest declaration, We will calculate the number of Bales produced and the premium payable using any reasonable means.

You are required to provide Us with a declaration of the total Bales produced from each crop(s) which must be accompanied with your ginning results. Your harvest declaration must be submitted within 21 days of the completion of ginning.

Premium payment

The amount of premium You are required to pay will be calculated after ginning by applying the premium per Bale to the number of Bales produced plus any government charges. Payment is required by the date specified on our invoice.

Requirement to insure all cotton crops

Unless specifically agreed by Us, all Crops (other than refuge crops) at the situation must be insured.

> Definitions

Acceptance Date

Means the Acceptance Date listed on the Schedule.

Bale(s)

Means a bale of ginned cotton weighing approximately 227kg.

Crop(s)

Means the Crop(s) listed by field as described on Your Schedule.

Excess

Means the amount that You must bear in the event of a loss. It is calculated by multiplying the Excess per Bale by the number of Bales produced from the Insured Crops.

Expiry Date

Means the Expiry Date listed on the Schedule.

Flood

Means the covering of normally dry land by water that has escaped or been released from the normal confines of:

1. any lake, or any river, creek or other natural water course, whether or not altered or modified; or
2. any reservoir, canal or dam.

Quality

Means the discounts for colour or leaf as shown in the discount tables on page 6.

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 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.

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 Your Schedule as the insured.

> Appendix A

Claim example

Assumptions

Excess \$25 per Bale
 Total production 1,000 Bales
 No factor other than rainfall impacted the Quality of the Crop.

Calculation

The Crop is affected by rainfall at harvest with the following classing results.

Colour Code	Leaf Code	Discount (\$ per Bale)	Bales by Grade	Price discount (\$)
11	1 & 2	\$0.00	200	\$0
11	5	\$46.40	150	\$6,975
11	6 & 7	\$81.30	400	\$32,520
31	6 & 7	\$91.70	250	\$22,925
Total			1,000	\$62,420

Total price discount is \$62,420 (i.e. total of price discounts for each grade)

Excess is \$25,000 (i.e. 1,000 Bales X \$25)

Claim Payment is \$37,420 (i.e. \$62,400 - \$25,000)



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