



› Plantation Timber Policy Wording

RANZPT1017

> 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.

Effective October 2017

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 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>

This policy is not subject to the protections of the Insurance Council of New Zealand Fair Insurance Code.

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.

Breach of Condition, Misrepresentation or Non-Disclosure

This policy will be void in the event of any misrepresentation or non-disclosure of any material fact. However, this insurance will not be prejudiced by:

- Any innocent misrepresentation or non-disclosure of any material particular;
- The breach of any condition or warranty without the knowledge and consent of the insured.

You must inform Us as soon as You become aware of any breach of this condition.

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.

Privacy

We are committed to the safe and careful use of Your personal information in the manner required by the Privacy Act 1993, the New Zealand Information 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 New Zealand 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 New Zealand 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.

➤ Important information (continued)

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 +612 9496 9300. We will acknowledge receipt of Your complaint 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 the Lloyd's General Representative in New Zealand who will initiate the Lloyd's complaints procedure:

Scott Galloway | Lloyd's General Representative in New Zealand
c/o Hazelton Law
Level 29, Plimmer Tower, 2-6 Gilmer Terrace
Wellington 6145, New Zealand
PO Box 5639, Wellington 6145, New Zealand
(04) 472 7582 | scott.galloway@hazelton.co.nz

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.

Jurisdiction

Should any dispute arise in relation to Your policy, it will be governed by New Zealand Law and New Zealand Courts. Any settlement of claims will be made in New Zealand dollars.

Taxes

Where GST does not apply to this policy, in the event of a claim, no GST will be payable.

> 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. Your Schedule.

> Who is covered?

The person or organisation named in Your 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 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 which commences during the period of cover.

The insured events are fire, lightning, explosion, thunderbolt, riot, strike, civil commotion, malicious damage, impact by a road or rail vehicle, impact by an aircraft or anything dropped from an aircraft, other than chemicals.

Where shown on Your Schedule cover will be extended to include:

1. Windthrow resulting in toppling, uprooting or stem breakage. Windthrow only applies for Trees aged six years and above at the time of Occurrence, and/or
2. Volcanic eruption and earthquake.

Insured events may be subject to limits. These limits will be shown on Your Schedule.

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 limit shown on Your Schedule, less any Deductible, unless otherwise stated in the policy wording.

➤ Additional benefits

The following benefits are automatically provided.

Acts of Civil Authorities

We will pay for acts of Destruction undertaken at the order of any lawfully constituted civil authority for the prevention or restriction of loss or damage to the property insured or for the safety of people or for the prevention of life which occurred during the period of cover.

New plantings

New plantings which occurred during the period of cover and are not shown on Your Schedule will be covered under this policy. The most We will pay for new plantings is the cost incurred for removal of debris, preparation and replanting (including the costs of seedlings) subject to a maximum of \$1,000 per damaged hectare and \$25,000 in any one period of cover.

Release

Wherever You are required by contractual agreement to release from liability any of the following, then such release is allowed without prejudice to this insurance:

1. The crown, the government or any organisation or entity owned or controlled by either of them,
2. Any municipal or local authority or any organisation or entity owned or controlled by either of them,
3. Any oil company,
4. The other signatories to a lease or mortgage,
5. Any other party where such agreement is declared to and agreed by Us.

Claims preparation costs

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

The most We will pay during any one period of cover is \$2,500 or the amount specified on the Schedule.

Fire fighting costs

We will pay for the additional costs necessarily and reasonably incurred by You during the period of cover 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.

This additional benefit does not provide any cover for any costs or levies related to the Forest and Rural Fires Act 1977.

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

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 \$25,000 or the amount specified on the Schedule.

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 greater.

› Optional benefits

Forest and Rural Fires Act levies

We will pay for any levies imposed on You under Section 46 of the Forest and Rural Fires Act 1977 for fighting any fires affecting the Trees insured or protecting the Trees insured from damage.

We will also pay for any costs recovered from You and for which You have paid under Section 43 of the Forest and Rural Fires Act 1977, but only for the portion of any costs which relate to fighting any fires directly affecting the Trees.

We will not pay You any costs for which You are liable to pay under Section 43 of the Forest and Rural Fires Act 1977 for fighting any fires beyond the boundary of the Trees.

The most We will pay during the period of cover is the amount specified in Your Schedule.

Plantation infrastructure

We will pay for costs incurred to repair or replace any plantation infrastructure damaged by an insured event. This means Your share of fencing, roads, bridges or fire fighting reservoirs (including above ground pipes and equipment for supplying and/or drawing from them) within or on the boundary of the plantation.

It does not include buildings or structures greater than four square metres in area, and is subject to Deductible of \$1,000 per Occurrence.

The costs must be approved by the loss adjuster before they are incurred. Repairs or replacement must commence within 12 months of the date of loss or damage unless We agree otherwise.

The most We will pay during the period of cover is the amount specified in Your Schedule.

Re-establishment costs

If Your Trees have been Destroyed by an insured event and We agreed to pay Your claim, We will also pay the reasonable and necessary costs incurred of removing and disposing of the Destroyed Trees, preparing the land for replanting, the cost of new seedlings and the cost of replanting.

If You decide to use the land for another purpose other than for growing Trees, We will pay the equivalent costs incurred of removing and disposing of the Destroyed Trees and preparing the land for replanting.

Replanting, repairs or reinstatement must commence within 12 months of the date of loss or damage unless We agree otherwise.

The most We will pay during the period of cover is the amount calculated by multiplying the damaged hectares by \$2,500 per hectare, or the limit for re-establishment specified on Your Schedule, whichever is the lesser.

› Basis of settlement

The amount of any claim will be calculated as follows:

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

Squaring off

At Our Discretion, We may declare an area a total loss, if part of the area suffers from a partial loss, and it would not be consistent with recognised forestry management principles to continue to grow the remaining undamaged Trees in that area. Where this occurs the remaining Trees in the area declared a total loss will be considered Destroyed for the purpose of calculating a claim. However, the undamaged Trees must be harvested or cleared and will contribute to the value of any Salvage.

› 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.

We will not pay a claim under this policy unless the claim has been notified to Us within 18 months of the estimated date of the loss or damage.

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.

› Exclusions

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 this policy 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 direct result of the order of any lawfully constituted civil authority for the prevention or restriction of loss or damage to the property insured or for the safety of people or for the prevention of life.
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;
7. disease, weeds, insects or pests of any kind;
8. windthrow damage to Trees less than six years of age at the time of Occurrence;
9. claims for losses for which insurance is prohibited by law; or
10. 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.

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.

> 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.

Set burns

Set burns are allowed provided You have provided Us with the details of the proposed date, a plan or map of the area to be burned, by whom authorised the set burn and approval in writing from Your forestry consultant.

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 forest.

Underinsurance

You must insure Your whole forest.

If the actual area of Your forest 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 Your Schedule.

Destroyed / Destruction

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

Deductible

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 Your 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 Your 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 insured peril is as follows:

1. 168 hours for fire resulting from any one ignition point;
2. 72 hours for volcanic or earthquake eruption;
3. 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 Your Schedule.

We/Us/Our

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

You/Your

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



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