



➤ Broadacre Crop Policy

Market Value Option

Who is Rural Affinity?

Rural Affinity Insurance Agency Pty Ltd (ABN 72 119 838 854 AFS Licence No. 302 182) ('Rural Affinity') acts as an underwriting agent on behalf of Great Lakes Reinsurance (UK) SE. For more information about Rural Affinity, visit our website at www.ruralaffinity.com.au.

Who is the Insurer?

The insurance is provided by Great Lakes Reinsurance (UK) SE (ABN 18 964 580 576 AFS Licence No. 318 603), trading as Great Lakes Australia, which is a limited liability company incorporated in England and Wales and is a wholly owned subsidiary of the Münchener Rückversicherungs Gesellschaft AG (Munich Re). The Munich Re Group is one of the largest insurance groups in the world.

The Market Value Option

The insured value under Rural Affinity's market value option is not locked in at the beginning of the policy period and does not rely on the grower to continuously monitor commodity prices throughout the season.

The insured value is linked to the Australia Securities Exchange ('ASX') futures price or the Profarmer Average Price (depending upon the type of crop). The crop types and contract descriptions available under this option are set out below.

Crop Type	Code	Description
Eastern Australia Wheat	WM	ASX futures contract for Eastern Australian milling wheat. Maturity shown on Your Schedule.
WA Wheat	WK	ASX futures contract for Western Australian milling wheat. Maturity date shown on Your Schedule.
SA Wheat (APW1)	PFWHE	'Profarmer Average Price' for the selected South Australian delivery location shown on Your Schedule.
Eastern Australia Feed Barley	UB	ASX futures contract for Eastern Australian feed barley. Maturity date shown on Your Schedule.
SA Barley (F1)	PFBAR	'Profarmer Average Price' for the selected South Australian delivery location shown on Your Schedule.
Eastern Australia Canola	VC	ASX futures contract Eastern Australian for canola. Maturity date shown on Your Schedule.
SA Canola	PFCAN	'Profarmer Average Price' for the selected South Australian delivery location shown on Your Schedule.
Australian Sorghum	US	ASX futures contract for sorghum. Maturity date shown on Your Schedule.
Chickpeas	PFPCP	'Profarmer Average Price' for the selected delivery location shown on Your Schedule.
Lupins	PFLUP	'Profarmer Average Price' for the selected delivery location shown on Your Schedule.
Lentils (Nugget)	PFLEN	'Profarmer Average Price' for the selected delivery location shown on Your Schedule.
Peas (Kaspa)	PFPEA	'Profarmer Average Price' for the selected delivery location shown on Your Schedule.
Faba Beans (Fiesta)	PFFB	'Profarmer Average Price' for the selected delivery location shown on Your Schedule.

When is the Market Value determined?

New South Wales and Queensland

For Crops (other than sorghum) 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'.

Western Australia, South Australia, Victoria and Tasmania

For Crops (other than sorghum) 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'.

Sorghum

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

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

What is the Profarmer Average Price?

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.

Adjusting the Insured Value relative to the ASX futures price or the Profarmer Average Price

Your 'farm gate' price will vary from the ASX futures contract price or Profarmer Average Price. The difference is called the 'Adjustment'. The 'Adjustment' is comprised of several factors including freight, handling, levies and quality variance. If You are selecting this option the 'Adjustment' is an agreed amount which is selected by You and will appear on Your schedule.

Your 'farm gate' value will normally be lower than the ASX futures contract price or Profarmer Average Price due to the 'Adjustment'. However, for clarity, You must indicate with a '+' or a '-' the impact of the 'Adjustment'. Where You have indicated a '+' We will increase the ASX futures price or Profarmer Average Price by the 'Adjustment' and where indicated with a '-' We will reduce it.

Example – Profarmer Prices (Port Lincoln)

Date	Wheat (APW1) \$/tonne	Barley (F1) \$/tonne	Canola \$/tonne
Nov-24	276	293	464
Nov-25	276	294	464
Nov-26	280	295	467
Nov-27	280	286	464
Nov-28	276	300	463
Average	\$277.60	\$293.60	\$464.40

The insured value would be \$277.60 for wheat, \$293.80 for barley and \$464.40 for Canola, plus or minus any Adjustment amount which was nominated for each crop type.

Important Warning

There is almost always a difference between the actual price received by the grower and quoted market. This difference is known as 'basis'. With the market value option, you can agree an 'Adjustment' amount which reflects the expected basis. In some seasons the basis can change significantly - where this occurs the agreed Adjustment may be inaccurate.

For example, a large movement in the 'basis' may occur if there is a large rain event during harvest which causes a large scale downgrading of the crop. If this occurs it is possible that the market price of the specified grade of crop which is applied in the market value option may rise significantly while at the same time growers suffering downgrading may receive a lower price.

In this situation the grower will be required to pay premium for a value which they did not receive for their crop. However, the premium will be commensurate with the value which would be used to calculate any claims under the policy.

Contacting Us

For most enquiries, it is best to contact your insurance intermediary in the first instance. However, if you need to contact Rural Affinity, our contact details are listed below:

Phone: 02 9496 9300

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E-mail: underwriting@rurallaffinity.com.au

Post: PO Box 236, Gordon NSW 2072

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Note: This brochure is a summary only and does not replace the policy wording. Please refer to the Rural Affinity Broadacre Crop Policy Wording for full terms, conditions, limits and exclusions of cover.