



➤ Crop Essentials

A fresh approach to broadacre insurance

At Rural Affinity, we understand that affordability is becoming an increasing challenge in crop insurance. That's why we've developed an innovative new broadacre product, designed specifically to help ease the cost burden of insurance while still delivering the protection growers need.

This season we are offering 'Crop Essentials' cover to growers across Australia.

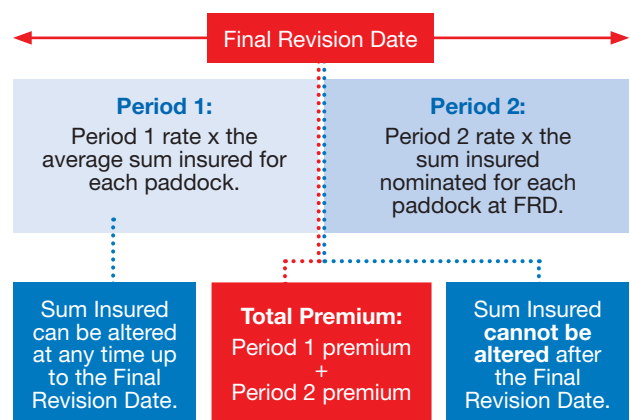
The Sum Insured has been simplified so you only need to nominate a Value per hectare based on the level of cover you need.

The premium is accrued on a 'pay as you go' basis using the Average Sum Insured in Period 1 and the fixed Sum Insured in Period 2.

How the cover works

| | |
|----------------------------|--|
| Period 1 | Acceptance Date until Final Revision Date (FRD). |
| Period 2 | Final Revision Date until expiry. |
| Claims | % loss x Sum Insured on the schedule at time of loss. |
| Additional Benefits | Same as standard pre-harvest cover. |
| Optional Benefits | Stubble Cover only. |
| Final revision date | Same as standard pre-harvest. Crop failures can be accepted. |

How the premium will be calculated



Average Sum Insured:

This is the weighted average of each sum insured nominated in period. The premium calculation examples tables on the following pages show how this is calculated.

What are the savings?

Certainty in cover is improved by removing potential yield and charging premium on a pay as you go basis. This allows the rates under crop essentials to be more competitive than those under the standard pre-harvest policy. Premium savings are dependent on crop type and the level of cover taken throughout both Period 1 & 2.

Keeping the level of cover consistent throughout the season will result in the most consistent premium savings.

Premium Calculation Examples have been provided highlighting the differences between Crop Essentials and Pre-Harvest:

- large increases to the Sum Insured at FRD result in a lower total premium under crop essentials.
- large decreases to the Sum Insured at FRD result in a higher total premium under crop essentials

Claims

All claims under crop essentials will be paid as they would be under a pre-harvest policy where a loss occurs after FRD, i.e. based on the Sum Insured on the schedule at the time of the loss. No potential yield is applied.

Claim payments under the pre-harvest policy where the loss occurs prior to FRD are based on potential yield. This could mean a larger claim payment as compared to crop essentials if a loss occurs prior to FRD despite having the same cover on the schedule.

We have provided claims comparison examples on the following page.

Placing Business

If you think this new product is the right fit for your grower please reach out to your development underwriter or our team of agricultural underwriters to organise a quote today.

A crop essentials quote can be requested via our online broker portal - Laserbeam.

Savings under this product will be greater for higher risk crop types including but not limited to Canola, Lentils, Chickpeas and Lupins. We are happy to split insurance for entire cropping programs across both pre-harvest and Crop Essentials cover if required.

➤ Premium Calculation Examples

Assumptions

| Acceptance Date | Final Revision Date | Area | Sums insured | Crop Essentials Rate | Standard Pre-Harvest Revision Rate |
|-----------------|---------------------|--------------|---|---|------------------------------------|
| 1 July | 9 October | 100 hectares | \$30,000 at inception \$35,000 increased effective 2 September | 1.95% (Period 1 = 0.49% + Period 2 = 1.46%) | 2.15% |

Increase to Sum insured at Final Revision Date

| Increase to Sum Insured after FRD | Crop Essentials | | Standard |
|--|-----------------|---|----------------------------|
| Period 1 – 1 July to 9 October (100 days) | | | |
| Rate | 0.49% | | |
| Sum Insured 1 July to 1 September (62 days) | \$30,000.00 | 100ha x \$300 per ha | \$30,000 |
| Sum Insured 2 September to 9 October (38 days) | \$35,000.00 | 100ha x \$350 per ha | \$35,000 |
| Average Sum Insured | \$31,900.00 | [(62 days/100 days) x \$30,000] + [(38 days/100 days) x \$35,000] | n/a |
| Period 1 Premium | \$156.31 | 0.49% x \$31,900 | n/a |
| Period 2 - Final Revision until expiry | | | |
| Rate | 1.46% | | 2.15% |
| Sum Insured | \$37,500 | 100ha x \$375 per ha | \$37,500 |
| Period 2 Premium | \$547.50 | 1.46% x \$37,500 | \$806.25 2.15%x\$37,500 |
| Total Premium | \$703.81 | \$156.31+\$547.50 | \$806.25 |

Decrease to Sum insured at Final Revision Date

| Large Decrease to Sum Insured after FRD | Crop Essentials | | Standard |
|--|-----------------|---|----------------------------|
| Period 1 – 1 July to 9 October (100 days) | | | |
| Rate | 0.49% | | |
| Sum Insured 1 July to 1 September (62 days) | \$30,000 | 100ha x \$300 per ha | \$30,000 |
| Sum Insured 2 September to 9 October (38 days) | \$35,000 | 100ha x \$350 per ha | \$35,000 |
| Average Sum Insured | \$31,900 | [(62 days/100 days) x \$30,000] + [(38 days/100 days) x \$35,000] | n/a |
| Period 1 Premium | \$156.31 | 0.49% x \$31,900 | n/a |
| Period 2 - Final Revision until expiry | | | |
| Rate | 1.46% | | 2.15% |
| Sum Insured | \$15,000 | 100ha x \$150 per ha | \$15,000 |
| Period 2 Premium | \$219.00 | 1.46% x \$15,000 | \$322.50 2.15%x\$15,000 |
| Total Premium | \$375.31 | \$156.31+\$219 | \$322.50 |

Claims

| Standard Pre-Harvest Pre FRD | | Standard Pre-Harvest Post FRD | | Crop Essentials | |
|--|-----------------|---------------------------------------|-----------------|---------------------------|-----------------|
| Schedule Details | | | | Schedule Details | |
| Crop Type | Wheat | | | Crop Type | Wheat |
| Area | 150 | | | Area | 150 |
| Insured Yield (t/ha) | 2 | | | Value per Hectare | \$600 |
| Insured Value (\$/t) | \$300 | | | Field Sum Insured | \$90,000 |
| Field Sum Insured | \$90,000 | | | | |
| Loss prior to Final Revision Date | | Loss after Final Revision Date | | All Losses | |
| Potential Yield | 3 | Insured Yield | 2 | Value per Hectare | \$600 |
| Insured Value | \$300 | Insured Value | \$300 | Field Sum Insured | \$90,000 |
| Field Sum Insured | \$135,000 | Field Sum Insured | \$90,000 | % Loss of Potential Yield | 17% |
| % Loss of Potential Yield | 17% | % Loss of Potential Yield | 17% | | |
| Gross Loss (\$) | \$22,950 | Gross Loss (\$) | \$15,300 | Gross Loss (\$) | \$15,300 |

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