

Cotton Insurance Policy



INSURANCE
FACILITATORS

Issued by Insurance Facilitators Pty Ltd, ABN 90 099 104 480 AFS Licence No.
289450 on behalf of and as underwriting agent for the insurer HDI Global Specialty
SE – Australia, ABN 58 129 395 544, AFS Licence number 458776

NOTICE TO INTENDING INSURED

Who is the Insurer?

The **Insurer** of the **Policy** is HDI Global Specialty SE - Australia (ABN 58 129 395 544, AFS License number 458776) and its registered address is Tower One, Level 33, 100 Barangaroo Avenue, Sydney NSW 2000, Australia. The **Insurer** is regulated by the Australian Prudential Regulation Authority ("APRA").

HDI Global Specialty SE is registered in Germany, with its registered office at Roderbruchstrasse 26, 30655 Hannover, Germany with registration number HRB211924 and authorised by Bundesanstalt für Finanzdienstleistungsaufsicht ("BaFin"). It is authorised to carry on insurance business in Germany under the German Insurance Supervisory Act ("Versicherungsaufsichtsgesetz").

Who is the Underwriting Agent?

In effecting this contract of insurance, Insurance Facilitators Pty Ltd ABN 90 099 104 480, AFSL No. 289450, will be acting under an authority given to it by the **Insurer**. Insurance Facilitators Pty Ltd will be acting as the agent for the **Insurer** and not for **You** as the Insured.

Our Contract with You

Our contract with **You** is subject to the Insurance Contracts Act 1984 (the Act).

Under the Act **We** each have a duty to act towards each other with utmost good faith. This means that in all **Our** dealings with each other, we must each act with honesty, fairness and reasonableness.

The contract is based on the information **You** gave **Us** when **You** applied for the insurance, and any subsequent information which **You** have supplied.

We will provide cover for those sections of the **Policy** **You** have selected and that are shown on **Your** Certificate of Insurance.

You must pay the premium and any relevant government charges for the **Period of Insurance** and comply with all of the **Policy** terms and conditions.

The **Policy**, any other declarations **You** make and any endorsement, amendment or alteration to **Your** cover will form the legal contract between **You** and **Us**.

Duty of Disclosure

Under the Act **You** have a Duty of Disclosure.

Before **You** enter into an insurance contract, **You** have a duty to tell **Us** anything that **You** know, or that a reasonable person in the circumstances could be expected to know, that may affect **Our** decision to insure **You** and on what terms.

You have this duty until we agree to insure **You**.

You have the same duty before **You** renew, extend, vary or reinstate an insurance contract.

You do not need to tell **Us** anything that:

- I. Reduces the risk **We** insure **You** for; or
- II. Is common knowledge; or
- III. **We** know or should know as an **Insurer**; or
- IV. **We** waive **Your** duty to tell **Us** about.

Non-disclosure

If what **You** tell **Us** is substantially incorrect and is material to **Our** decision to insure **You**, **We** may cancel **Your** Contract or reduce the amount **We** will pay **You** if **You** make a claim, or both.

If **Your** failure to tell **Us** is fraudulent, **We** may refuse to pay a claim and treat the Contract as if it never existed.

Agreements Affecting Rights of Subrogation

We will not pay a claim if, without prior agreement from **Your** insurer, **You** make any agreement that will prevent the insurer from recovering the loss from a third party.

Interested Parties

We will not accept any financial interests over **Insured Trees** of any party other than **You**, unless **You** have notified **Us** of such interest and:

- Request the interest to be noted on the **Policy**
- Authorise **Us** to use that party's personal information about **You** in connection with that **Policy**.

We must have agreed and noted that interest on **Your** Certificate of Insurance.

That party is not covered nor do they become an Insured under the **Policy**. If the interests of another party have been noted on the **Policy**, then in the event of a claim **We** are obliged to enquire from that interested party whether the claim is subject to that interest. If so, **We** are obliged to first make payment of the claim to the interested party and thereafter make payment to **You** of the balance. A payment by **Us** to an interested party constitutes a discharge of **Our** liability to **You** under the **Policy** to the extent of that payment.

This is Not a Renewable Contract

Cover provided under this **Policy** will cease at expiry of the **Period of Insurance** shown on **Your Certificate of Insurance**. If **You** wish to arrange similar insurance with **Us** for the following season, **You** will need to complete the proposal sent to **You** and **We** will provide terms of cover for **Your** consideration.

Example - Underinsurance	
Area planted	15ha
Insured Field Area	10ha
Area of loss	5ha
Underinsurance %	66.7% ($(10 \div 15) \times 100$)
Underinsurance Calculation	5ha x 66.7%
Net Claim Area	3.335ha

Making a Complaint

If **You** have a complaint about an insurance product issued by **Us** or a service **You** have received from **Us**, including the settlement of a claim, please contact **Your** intermediary to initiate the complaint with Insurance Facilitators. If **You** are unable to contact **Your** intermediary, call Insurance Facilitators on (08) 8372 4020.

When **You** first let Insurance Facilitators know about **Your** complaint or concern, the person trying to resolve **Your** complaint will listen to **You**, consider the facts and attempt to resolve **Your** complaint immediately.

If **Your** complaint is still not resolved to **Your** satisfaction then **You** may refer **Your** matter further by writing to **Our** Internal Dispute Resolution Committee as follows

Internal Dispute Resolution Committee

HDI Global Specialty SE – Australia

Tower One, Level 33, 100 Barangaroo Avenue
Sydney, NSW, 2000

Your dispute will be acknowledged in writing within 5 business days of receipt, and **You** will be kept informed of the progress of **Our** review of **Your** dispute at least every 10 business days. The length of time required to resolve a particular dispute will depend on the individual issues raised, however in most cases **You** will receive a full written response to **Your** dispute within 15 business days of receipt, provided **We** have received all necessary information and have completed any investigation required.

If **You** are not happy with **Our** response, or **We** have taken more than 15 working days to respond, **You**

may take **Your** complaint to the Australian Financial Complaints Authority (“AFCA”), an ASIC approved external dispute resolution body.

AFCA resolves certain insurance disputes between consumers and insurers and will provide an independent review at no cost to **You**. **We** are bound by the determination of the AFCA but the determination is not binding on **You**.

You can contact AFCA at:

Australian Financial Complaints Authority
GPO Box 3, Melbourne, VIC 3001
Telephone: 1800 931 678
Email: info@afca.org.au
Website: www.afca.org.au

Privacy Statement

Privacy legislation regulates the way private sector organisations can collect, use, keep secure and disclose personal information. **We** are bound by the Privacy Act 1988 (Cth), when collecting and handling **Your** personal information. **We** have developed a privacy policy which explains what sort of personal information **We** hold about **You** and what **We** do with it.

We will only collect personal information from or about **You** for the purpose of assessing **Your** application for insurance and administering **Your Policy**, including any claims **You** make or claims made against **You**. **We** will only use and disclose **Your** personal information for a purpose **You** would reasonably expect.

We may need to disclose personal information to other entities within **Our** group, reinsurers (who may be located overseas), insurance intermediaries, insurance reference bureaux, credit reference agencies, **Our** advisers, **Our** agents, **Our** administrators and those involved in the claims handling process (including assessors, investigators and others), for the purpose of assisting **Us** and them in providing relevant services and products, or the purpose of recovery or litigation. **We** may disclose personal information to people listed as co-insured on **Your Policy** and to family members or agents authorised by **You**. Disclosures may also be made to government, law enforcement, dispute resolution, statutory or regulatory bodies, or as required by law. **We** will request **Your** consent to any other purpose.

By providing **Your** personal information to **Us**, **You** consent to **Us** making the disclosures set out above which require consent. This consent to the use and disclosure of **Your** personal information remains valid unless **You** alter or revoke it by giving **Us** written notice. Without **Your** personal information **We** may not be able to issue insurance cover to **You** or process **Your** claim.

You also have the opportunity to find out what personal information **We** hold about **You** and, when necessary, correct any errors in this information. Generally, **We** will do this without restriction or charge.

For further information about **Our** privacy policy or to access or correct **Your** personal information, please contact **Us** at the following address:

HDI Global Specialty SE – Australia
Tower One, Level 33, 100 Barangaroo Avenue,
Sydney, NSW, 2000

If **You** believe that **We** have interfered with **Your** privacy in **Our** handling of **Your** personal information **You** may lodge a complaint by contacting **Us**.

We will attempt to resolve **Your** complaint in accordance with **Our** Privacy Complaints Handling Procedure.

If **You** are not satisfied with the resolution of **Your** complaint or with the way that **We** have handled **Your** complaint through the Privacy Complaints Procedure, **You** may be able to refer the matter to the Office of the Australian Information Commissioner.

If **You** would like more information about **Our** Privacy Complaints Procedure please contact **Us**.

The Goods and Services Tax (GST) and Your Insurance (GST Registered Policyholders Only)

Information **You** must give to **Us**

If **You** are registered, or required to be registered, for Goods and Services Tax ("GST") purposes **You** must provide **Us** in writing with **Your** Australian Business Number ("ABN") when requested. **You** must also advise **Us** in writing what **Your** Input Tax Credit ("ITC") entitlement is for the insurance premium either:

- (i) on or before entry into, renewal or variation of this **Policy**; or
- (ii) if permitted under the GST Law, at any other time at or before **You** first notify **Us** of a claim under this **Policy**.

If **You** have told **Us** **Your** ITC entitlement under (a) above and **Your** ITC entitlement later alters, **You** must tell **Us** in writing about that alteration.

If **You** are registered and cease to be registered for GST purposes **You** must tell **Us** immediately in writing.

General Code of Practice

We are a signatory to the General Insurance Code of Practice (the Code). The objectives of the Code are to further raise standards and promote consumer confidence in the general insurance industry. Further information about the Code and **Your** rights are available at www.codeofpractice.com.au

DEFINITIONS

Where used in this **Policy** the following words mean:

Actual Yield

Means the yield, expressed as **Bales** per hectare, that is actually harvested from an **Insured Field** as listed in **Your Certificate of Insurance** and declared to **Us**.

Agreed Value

Means in respect of Predetermined Yield Cover or Variable Yield Cover the value per **Bale** nominated by **You** and accepted by **Us**, as listed in **Your Certificate of Insurance**.

Means in respect of Production Cost Cover the value per hectare **You** nominate and **We** agree to for each **Insured Field** as listed in **Your Certificate of Insurance**

Area Damaged

Means the extent in hectares per **Insured Field** of loss of, damage to or destruction as a result of **Hail Strike** at **Your Property** during the **Period of Insurance**, determined by **Us** and **Our** appointed loss adjuster.

Bale/s

Means 227kg of ginned cotton lint.

Certificate of Insurance

Means the document titled **Certificate of Insurance**, including the field schedule, which forms part of this **Policy** and describes important details of **Your** cover.

Excess

Means the first amount of each and every **Potential Yield** loss of the unharvested portion of each **Insured Field** at the time of loss that is borne by **You**, as shown on **Your Certificate of Insurance**.

The **Excess** will be applied to each **Insured Field** as though each field is separately covered under its own **Policy**.

Field Sum Insured

Means in respect of Predetermined Yield Cover or Variable Yield Cover; the sum of each **Insured Field** by calculating the number of hectares multiplied by the **Insured Yield** or **Potential Yield** multiplied by the **Agreed Value**.

Means in respect of Production Cost Cover; the sum of each **Insured Field** by multiplying the number of hectares by the **Agreed Value**.

Fire

Means the actual ignition of seed cotton, not caused by or resulting from fermentation or any process involving the application of heat.

Growing Costs

1. Licence Fees

Means the payment option category amount per hectare shown on **Your Certificate of Insurance** that **You** have chosen to pay for **Your** transgenic technology. If **You** change **Your** option **We** may alter **Your** premium.

2. In - Crop Costs (ICC)

Means all growing costs per hectare shown on **Your Certificate of Insurance** that **You** expect to incur after the completion of planting through to, but not including, defoliation.

3. Defoliation Costs (DC)

Means the amount per hectare shown on **Your Certificate of Insurance** that **You** expect to incur during the defoliation period.

4. Harvest and Transit Costs (HTC)

Means all picking, transport and levy related costs per hectare shown on **Your Certificate of Insurance**.

Hail Strike

Means loss of, damage to or destruction of plant parts as a direct result of the impact of pellets or stones of frozen rain falling during showers or storms.

Insured Field

Means each cotton crop specified by, type, field name and number of hectares, as listed in **Your Certificate of Insurance**. In the instance of an Insured claimable event **Insured Field(s)** over one hundred (100) hectares will be split into equal units of no less than fifty (50) hectares.

Insured Yield

Means the yield, expressed as **Bales** per hectare, **You** expect to produce from each **Insured Field** as shown on **Your Certificate of Insurance**.

Net Percentage Yield Loss

1. Means the yield loss calculated as a percentage for Predetermined Yield Cover option with **Potential Yield** *greater than* 75% of the **Insured Yield** as follows:

$$\left\{ \frac{(\text{Insured Yield} - \text{Actual Yield})}{\text{Insured Yield}} \right\} \times 100 - \text{Excess}$$

2. Means the yield loss calculated as a percentage for Variable Yield Cover, or a Predetermined Yield Cover with **Potential Yield** *less than* 75% of the **Insured Yield**, as follows

$$\left\{ \frac{(\text{Potential Yield} - \text{Actual Yield})}{\text{Potential Yield}} \right\} \times 100 - \text{Excess}$$

Period of Insurance

Means 9.00am EST on the day following a 48 hour period from when **You** written acceptance is received in the office of Insurance Facilitators Pty Ltd and ends at 4:00pm on the expiry date shown on **Your Certificate of Insurance**.

Policy

Means this document, the proposal, the **Certificate of Insurance** and any endorsement to the **Policy**, all of which are to be read together.

Potential Yield

Means the yield, expressed as **Bales** per hectare, that would have been harvested, as deemed achievable by **Our** appointed loss adjuster, but for loss or damage as a direct result of **Hail Strike**.

The **Potential Yield** only applies in the event of a claim at which time the **Potential Yield** replaces the **Insured Yield** for;

- the Predetermined Yield Cover where **Potential Yield** is less than 75% of Insured Yield, and;
- the Variable Yield Cover for the purpose of calculating the **Field Sum Insured**.

If an **Insured Field** is not affected by **Hail Strike** **Your Potential Yield** will be **Your Actual Yield**.

Property

Means the locality of **Your Insured Fields** that are within a contiguous area or within a land title boundary for which **You** are the landowner, right-holder, lease holder and/or sharefarmer. If **You** have **Insured Fields** at more than one locality, the **Policy** will apply separately, in respect of each locality, as shown on **Your Certificate of Insurance**.

We, Us, Our, the Insurer

Means HDI Global Specialty SE - Australia

You, Your

Means the person or entity named as the insured in the **Certificate of Insurance**.

WHAT YOU ARE COVERED FOR

Provided **You** have paid or agreed to pay the premium, **We** will insure **You** against loss of, damage to or destruction of **Potential Yield** of **Insured Field(s)** caused solely and directly by **Hail Strike** during the **Period of Insurance**, subject otherwise to the terms, conditions and exclusions of this **Policy**.

Additional Benefits

You will also be automatically covered for the following Additional Benefits:

1. Re-Planting

If **Your Insured Field(s)** are deemed destroyed by **Hail Strike** and:

- (a) there is undisputed evidence that, at the time of the **Hail Strike**, a viable plant stand was present or being established;
- (b) the loss occurred prior to the closing date of the specified planting window for genetically modified plants, or no later than 1 December;
- (c) the opportunity to replant the **Insured Field(s)** presents itself,

You will be expected to replant the area determined to be a Constructive Total Loss (CTL) by **Our** appointed loss adjuster.

Should replanting be undertaken and subject to **Our** approval, **We** will pay for the reasonable costs **You** incur to replant **Your Insured Field(s)**.

The maximum **We** will pay is \$300 per hectare for the area to be replanted. The **Excess** will not apply to this Additional Benefit.

A claim for Re-Planting will not impact upon a possible claim for loss of **Potential Yield** and/or increased Additional **Growing Costs**.

If **You** choose not to replant, **We** will pay **You** \$750 per hectare for irrigated crop and/or \$360 per hectare for dry land crop, or part thereof, for the field or area destroyed by **Hail Strike**. This payment will end **Our** obligation under **Your Policy** for that affected field or area.

2. Additional Growing Costs

If, due to **Hail Strike** covered under this **Policy**, the loss adjuster appointed by **Us** determines there is potential for a claimable loss of yield above **Excess**, **We** will cover **You** for reasonable expenditure that is over and above normal **Growing Costs** which are incurred for the sole purpose of mitigating the loss to **Your Area Damaged**. The loss adjuster appointed by **Us** will determine the additional costs recoverable.

The Goods and Services Tax (GST) is not recoverable as Additional **Growing Costs**.

If Additional **Growing Costs** are deemed recoverable by the loss adjuster, **We** will not pay more than \$300 per hectare during any one Period of Insurance.

In the event that a crop is severely damaged by **Hail Strike** and a determination of the crop's economic viability is deferred by the loss adjuster appointed by **Us**, Additional **Growing**

Costs incurred in the **Area Damaged** during the deferment period are, at the loss adjuster's discretion, recoverable.

Recoverable additional irrigation water purchased and other non-irrigation agreed crop inputs will be valued at the cost of acquiring the input, not the market value of the input at the time it is valued.

We will not pay more than \$100 per hectare for additional irrigation water stored by **You** or allocated to **You** that would not have been otherwise apportioned to the **Area Damaged**.

No **Excess** applies to this Additional Benefit.

3. Seed Cotton in Transit

We will cover **You** against loss of, damage to or destruction of seed cotton covered by this **Policy** which is accidentally damaged, destroyed, spilled, or stolen during transit by road while in transit from **Your** Property to **Your** selected cotton gin.

The amount of any claim for seed cotton in transit will be calculated by multiplying the number of **Bales** lost or destroyed by the Agreed Value. In the event of salvage, if **Your** ginned cotton is downgraded, the maximum **We** will pay is the difference between the amount **You** receive following sale and the amount produced by multiplying the number of cotton **Bales** damaged by the Agreed Value.

The **Excess** is \$500 for each and every transit claim.

We will not pay any claim resulting from Loss or Damage to Seed and/or Grain in Transit arising directly or indirectly from any of the following circumstances:

- (a) carried in an overloaded vehicle;
- (b) carried in an unsafe or unroadworthy vehicle;
- (c) driven by an unlicensed driver;
- (d) arising from water damage; or
- (e) the driver is found to be under the influence of a drug or intoxicating liquor;
- (f) carried in a vehicle not otherwise suitable for the purpose of the transit.

If **You** take a Predetermined Yield Cover or Variable Yield Cover **You** will also be automatically covered for the following Additional Benefits. Additional Benefits do not apply to Production Cost Cover.

4. Fire

We will cover **You** against loss of, damage to or destruction of seed cotton covered by the

Policy caused directly by **Fire** once in a round or rectangular module prior to being delivered to **You** selected cotton gin.

The amount of any claim for **Fire** will be calculated by multiplying the number of **Bales** lost or destroyed by the **Agreed Value**. In the event of salvage, if **Your** cotton is downgraded, the maximum **We** will pay is the difference between the amount **You** receive following sale and the amount produced by multiplying the number of cotton **Bales** damaged by the **Agreed Value**.

The **Excess** is \$500 for each and every **Fire** claim.

5. Chemical Over-spray

We will cover **You** for reduction in **Potential Yield** caused by chemicals which drift onto any **Insured Fields** caused by spraying operations during the **Period of Insurance**. The most **We** will pay for this Additional Benefit is \$50,000.

We will not pay any claim resulting from **Area Damaged** due to Chemical Over-spray arising directly or indirectly from any of the following circumstances:

- (a) if the chemical spraying was performed by **You** or anybody acting on **Your** behalf;
- (b) resulting from chemicals applied by aircraft;
- (c) if the chemical spraying was performed by **Your** sharefarmer or on **Your** sharefarmer's behalf; or
- (d) if **You** do not provide **Us** with the name and contact details of the third party responsible for the damage.

POLICY OPTION COVERS

You must select one of the following **Policy** Cover Options which is to apply to **Your** cover under the **Policy**:

1. Predetermined Yield Cover

- a. If the **Actual Yield** of an **Insured Field** is *greater than 75%* of the **Insured Yield** for that field, the **Insured Yield** and **Agreed Value** nominated by **You** and agreed by **Us** are considered final.
- b. If the **Actual Yield** of an **Insured Field** is *less than 75%* of the **Insured Yield** for that field and **You** provide your ginning documents to **Us** the **Actual Yield** replaces the **Insured Yield** for the purpose of calculating the **Field Sum Insured(s)**.

If **We** pay a claim for **Area Damaged**, the **Potential Yield** replaces the **Insured Yield** for the purpose of calculating the **Field Sum Insured(s)** with **Area Damaged**.

Any final adjustments must be supported by **Your** ginning summary.

2. Variable Yield Cover

The **Actual Yield** replaces the **Insured Yield** for the purpose of calculating the **Field Sum Insured** in the final premium calculation.

The **Actual Yield** is capped at 125.0% of the **Insured Yield** for an Irrigated **Insured Field** and 150.0% of the **Insured Yield** for a dryland **Insured Field**.

If **We** pay a claim for **Area Damaged**, the **Potential Yield** replaces the **Insured Yield** for the purpose of calculating the **Field Sum Insured(s)** with **Area Damaged**.

Any amendments during the growing season are subject to a 48 hour acceptance condition. Revised cover attaches at 9:00am EST on the day following a 48 hour period from when the written acceptance of the alteration to the cover is approved by **Us**.

Your Actual Yield declaration must be supported by **Your** ginning summary.

3. Production Cost Cover

The **Agreed Value**, and the **Growing Costs** allocated by **Us** are considered final.

Additional Cover Options

The following Additional Option Covers apply where **You** have paid an additional premium and the Additional Cover Option is shown on **Your Certificate of Insurance**.

Additional Cover Options do not apply to Production Cost Cover.

1. Irrigated Cotton Micronaire Downgrade

If **We** pay a claim for **Insured Field(s)** with **Hail Strike**, and Micronaire Downgrade is stated on **Your Certificate of Insurance**, **We** will pay for any discounts applied to ginned **Bales** from those **Insured Field(s)** due to Micronaire.

We use **Your** classing results provided by **Your** cotton classer and **Our** Discount Table – Micronaire to calculate any claim.

An **Excess** will apply as stated in the **Certificate of Insurance**.

This Cover Option is only available to crops where the **Insured Yield** is greater than 6 bales/ha.

2. Irrigated Cotton Leaf & Colour Downgrade

If **We** pay a claim for **Insured Field(s)** with **Hail Strike**, and Leaf & Colour Downgrade is shown on **Your Certificate of Insurance**, **We** will pay for any discounts applied to ginned **Bales** from those **Insured Field(s)** due to discolouration and leaf contamination as a direct consequence of rainfall

occurring between boll opening and harvest.

We use **Your** classing results provided by **Your** cotton classer and **Our** Discount Table - Colour & Leaf to calculate any claim.

An **Excess** will apply as shown on **Your Certificate of Insurance**.

This Cover Option is only available to crops where the Insured Yield is greater than 6 bales/ha.

3. Refuge Crops

If stated on **Your Certificate of Insurance**, **We** will cover **You** for refuge crops grown to comply with **Your** agreement for genetically modified cotton deemed destroyed by **Hail Strike**.

If **You** are required to replant, **We** will pay the costs incurred to replant. **We** will not pay more than \$200 per hectare.

If **You** are not required to replant, **We** will pay the variable input costs incurred planting the crop. **We** will not pay more than \$450 per hectare for irrigated crop and \$350 per hectare for dry crop.

4. Delayed Picking Benefit

If **We** pay a claim for an **Insured Field** with **Area Damaged** and **Our** loss adjuster has determined that picking of the **Insured Field** has been delayed for more than (14) fourteen days as a result of **Hail Strike**, **We** will pay 2% of the **Field Sum Insured** per week up until the **Insured Field** is picked for a maximum of (5) five weeks.

Delayed Picking Benefit must be shown on **Your Certificate of Insurance**.

BASIS OF SETTLEMENT

In the event of a loss of, damage to or destruction of **Your** crop by **Hail Strike**, subject otherwise to the terms and conditions of this **Policy**, **We** will calculate **Your** claim in accordance with the following.

The Basis of Settlement for any valid claim made under this **Policy** will be dependent upon the Policy Option Cover selected. In the first instance, all loss of yield claims will commence by calculating the **Net Percentage Yield Loss**.

You will assist the loss adjuster appointed by **Us** in providing the **Actual Yield/s** where applicable. The loss adjuster will establish the appropriate **Potential Yield/s** which will allow the **Net Percentage Yield Loss** to be determined.

We will apply the **Net Percentage Yield Loss** to each **Field Sum Insured** that has suffered an insured loss.

We will not pay more than the **Field Sum Insured** shown

in the **Certificate of Insurance**, less any **Excess**, for each field affected.

We will not pay for any loss until all premiums have been paid to **Us**.

Constructive Total Loss (CTL)

If **Our** loss adjuster deems an **Insured Field** to be a Constructive Total Loss (CTL) and replanting is unable to be undertaken, **We** will multiply the Net Percentage Loss by the Field Sum insured of the **Insured Field** deemed a CTL, less any un-incurred **Growing Costs**. Unless otherwise agreed with **Us** in writing, the date the **Insured Field** is determined to be a CTL will be the date **Area Damaged** occurred.

You will be required to make the resources and inputs, such as water, from the **Insured Field(s)** that are determined to be a CTL, available to assist in the mitigation of the loss suffered in the partially damaged **Insured Field(s)**.

Un-incurred Growing Costs will be deducted as follows;

1. Predetermined or Variable Yield Cover

We will multiply **Your** In-Crop Costs per hectare shown on **Your Certificate of Insurance** by the Un-Incurred ICC Percentage from the ICC Table (page 8) **You** have chosen. The Un-Incurred ICC Percentage is determined by the total number of days since completion of planting of the **Insured Field** that suffered CTL. Other **Growing Costs** per hectare stated on **Your Certificate of Insurance** if un-incurred will be deducted in their entirety from the claim.

2. Production Cost Cover

We will apportion 20% of the **Field Sum Insured** to In Crop Costs. Using the ICC 136 Day Table (Page 8),

We will multiply the apportioned ICC cost by the Un-Incurred ICC Percentage, determined by the total number of days since completion of planting when the **Insured Field** suffered **Area Damaged**.

We will also apportion 30% of the **Field Sum Insured** to the un-incurred costs of Licence Fees, Defoliation Costs and Harvest & Transit which will be deducted entirely from the claim to the **Insured Field** that suffered **Area Damaged**.

Claim Examples

1. Partial Loss

1a. Predetermined Yield Cover

Assumption: Potential Yield greater than 75% of Insured Yield	
Insured Field	40ha
Insured Yield	10 Bales/ha
Agreed Value	\$450/Bale
Field Sum Insured	\$180,000 (40ha x \$450 x 10b/ha)
Net % Loss	15%
Net Yield Claim	\$27,000 (15% of \$180,000)
+ Additional Options (if shown on Your Certificate of Insurance)	

Assumption: Potential Yield less than 75% of Insured Yield	
Insured Field	40ha
Insured Yield	10 Bales/ha
Potential Yield	7 Bales/ha
Agreed Value	\$450/Bale
Field Sum Insured	\$126,000 (40ha x \$450 x 7b/ha)
Net % Yield Loss	15%
Net Yield Claim	\$18,900 (15% of \$126,000)
+ Additional Options (if listed in Your Certificate of Insurance)	

1b. Variable Yield Cover

Assumption: Potential Yield less than 125% of Insured Yield	
Insured Field	40ha
Agreed Value	\$450/Bale
Insured Yield	8 Bales/ha
Potential Yield	9.5 Bales/ha - Less than 125% of the Insured Yield
Field Sum Insured	\$171,000 (40ha x \$450 x 9.5b/ha)
Net % Yield Loss	15%
Net Yield Claim	\$25,650 (15% of \$171,000)
+ Additional Options (if shown on Your Certificate of Insurance)	

1c. Production Cost Cover

Insured Field	40ha
Sum Insured/ha	\$3,000
Field Sum Insured	\$120,000 (40ha x \$3,000/ha)
Net % Yield Loss	25%
Net Yield Claim	\$30,000 (25% of \$120,000)

2. Constructive Total Loss (CTL)

2a. Predetermined Yield Cover

Assumption: Potential Yield greater than 75% of Insured Yield	
Insured Field	40ha
Excess	10%
Insured Yield	10 Bales/ha
Agreed Value	\$180,000 (40ha x \$450 x 10b/ha)
Field Sum Insured	\$180,000

Net % Yield Loss	90% (100% less Excess)
Net Yield Loss	\$162,000 (90% x \$180,000)

Claim Calculation (based on Assumption Table)

Net Yield Loss	\$162,000 (90% x \$180,000)
Less Licence Fee	\$16,040 (\$401* x 40ha)
Less ICC Not Incurred	\$16,272 (67.8% x \$600 x 40ha)
Less DC Not Incurred	\$3,200 (\$80/ha x 40ha)
Less HTC Not Incurred	\$10,000 (\$250 x 40ha)

Net Claim Payable \$116,488

+Additional Options (if listed in **Your Certificate of Insurance**)

* NB: full deduction of the Licence Fees is dependent upon seasonal arrangements between Licensee and the Licensor.

2b. Variable Yield Cover

Assumptions	
Potential Yield less than 125% of Insured Yield	
You nominated the following Growing Costs :	
Licence Fees	\$351 per hectare
In-Crop Costs	\$600 per hectare
Defoliation Costs	\$80 per hectare
Harvest & Transit Costs	\$250 per hectare
Loss Date – 14 December which is 65 days after planting (10 October) therefore 67.80% deduction based on the 136 day ICC table page 8	
Insured Field	40ha
Excess	10%
Agreed Value	\$450/Bale
Insured Yield	10 Bales/ha
Potential Yield	11.5 Bales/ha - less than 125% of the Insured Yield
Field Sum Insured	\$207,000 (40ha x \$450 x 11.5b/ha)
Net % Yield Loss	90% (100% less Excess)
Net Yield Loss	\$186,300 (90% x \$207,000)
Claim Calculation (based on Assumption Table)	
Net Yield Loss	\$186,300 (90% x \$207,000)
Less Licence Fee	\$16,040 (\$401* x 40ha)
Less ICC Not Incurred	\$16,272 (67.8% x \$600 x 40ha)
Less DC Not Incurred	\$3,200 (\$80/ha x 40ha)
Less HTC Not Incurred	\$10,000 (\$250 x 40.00ha)
Net Claim Payable	\$140,788
+Additional Options (if listed in Your Certificate of Insurance)	
* NB: full deduction of the Licence Fees is dependent upon seasonal arrangements between Licensee and the Licensor.	

2c. Production Cost Cover

Assumptions	
Potential Yield less than 75% of Insured Yield	
You nominated the following Growing Costs :	
Licence Fees	\$351 per hectare
In-Crop Costs	\$600 per hectare
Defoliation Costs	\$80 per hectare
Harvest & Transit Costs	\$250 per hectare
Loss Date – 14 December which is 65 days after planting (10 October) therefore 67.80% deduction based on the 136 day ICC table page 8	
Field Area	40ha
Sum Insured/ha	\$3,000
Field Sum Insured	\$120,000 (40ha x \$3,000/ha)
Net % Yield Loss	90% (100% less Excess)
Net Yield Loss	\$108,000 (90% of \$120,000)
Loss Date – 14 December which is 65 days after planting (10 October) therefore 67.80% deduction based on the 136 day ICC table page 8.	
Claim Calculation	
Net Yield Loss	\$108,000
Less ICC Not Incurred	\$16,488 (68.7% x \$600 x 40ha)
Less HTC Not Incurred	\$10,000 (\$250 x 40.00ha)
Net Claim Payable	\$81,512
+ Additional Benefits 1 or 2 only if applicable	

3. Additional Option Loss

a. Leaf & Colour Downgrade

Insured Field	100ha
Actual Yield	6 Bales/ha
Potential Yield	10 Bales/ha
Downgrade Bales	600 Bales

Downgrade Calculation

Bales	Colour	Leaf	Discount/B	Gross Loss
300	41	5	\$450 x 19.87%	\$26,824.50
200	51	4	\$450 x 21.79%	\$19,611
100	31	4	\$450 x 5.77%	\$2,596
Additional Option Net Loss				\$49,031.50

b. Micronaire

Insured Field	100ha
Actual Yield	6 Bales/ha
Potential Yield	10 Bales/ha
Downgrade Bales	600 Bales (6.0b/ha x 100ha)

Downgrade Calculation

Bales	Code	Discount/B	Gross Loss
125	G2	\$450/b x 20%	\$11,250
75	G4	\$450/b x 12.5%	\$4,218
400	G6	\$450 x 0	\$0
Additional Option Net Loss			\$15,468

ICC 136 DAY TABLE

# days since completion of planting when loss occurred	Un-incurred ICC %	# days since completion of planting when loss occurred	Un-incurred ICC %
0 - 10	100.00%	74	61.50%
11	99.65%	75	60.80%
12	99.30%	76	59.80%
13	98.95%	77	58.80%
14	98.60%	78	57.80%
15	98.25%	79	56.80%
16	97.90%	80	55.80%
17	97.55%	81	54.80%
18	97.20%	82	53.80%
19	96.85%	83	52.80%
20	96.50%	84	51.80%
21	96.15%	85	50.80%
22	95.80%	86	49.80%
23	95.45%	87	48.80%
24	95.10%	88	47.80%
25	94.75%	89	46.80%
26	94.40%	90	45.80%
27	94.05%	91	44.80%
28	93.70%	92	43.80%
29	93.00%	93	42.80%
30	92.30%	94	41.80%
31	91.60%	95	40.80%
32	90.90%	96	39.80%
33	90.20%	97	38.80%
34	89.50%	98	37.80%
35	88.80%	99	36.80%
36	88.10%	100	35.80%
37	87.40%	101	34.80%
38	86.70%	102	33.80%
39	86.00%	103	32.80%
40	85.30%	104	31.80%
41	84.60%	105	30.80%
42	83.90%	106	29.80%
43	83.20%	107	28.80%
44	82.50%	108	27.80%
45	81.80%	109	26.80%
46	81.10%	110	25.80%
47	80.40%	111	24.80%
48	79.70%	112	23.80%
49	79.00%	113	22.80%
50	78.30%	114	21.80%
51	77.60%	115	20.80%
52	76.90%	116	19.80%
53	76.20%	117	18.80%
54	75.50%	118	17.80%
55	74.80%	119	16.80%
56	74.10%	120	15.80%
57	73.40%	121	14.80%
58	72.70%	122	13.80%
59	72.00%	123	12.80%
60	71.30%	124	11.80%
61	70.60%	125	10.80%
62	69.90%	126	9.80%
63	69.20%	127	8.80%
64	68.50%	128	7.80%
65	67.80%	129	6.80%
66	67.10%	130	5.80%
67	66.40%	131	4.80%
68	65.70%	132	3.80%
69	65.00%	133	2.80%
70	64.30%	134	1.80%
71	63.60%	135	0.80%
72	62.90%	136+	0.00%
73	62.20%		

ICC 110 DAY TABLE

# days since completion of planting when loss occurred	Un-incurred ICC %	# days since completion of planting when loss occurred	Un-incurred ICC %
0 - 10	100.00%	61	49.61%
11	99.65%	62	48.31%
12	99.23%	63	47.01%
13	98.81%	64	45.71%
14	98.39%	65	44.41%
15	97.97%	66	43.11%
16	97.55%	67	41.81%
17	97.13%	68	40.51%
18	96.71%	69	39.21%
19	96.29%	70	37.91%
20	95.87%	71	36.61%
21	95.45%	72	35.31%
22	95.03%	73	34.01%
23	94.61%	74	32.71%
24	94.19%	75	31.41%
25	93.77%	76	30.51%
26	93.35%	77	29.62%
27	92.93%	78	28.72%
28	92.51%	79	27.82%
29	91.21%	80	26.92%
30	89.91%	81	26.03%
31	88.61%	82	25.13%
32	87.31%	83	24.23%
33	86.01%	84	23.33%
34	84.71%	85	22.44%
35	83.41%	86	21.54%
36	82.11%	87	20.64%
37	80.81%	88	19.74%
38	79.51%	89	18.85%
39	78.21%	90	17.95%
40	76.91%	91	17.05%
41	75.61%	92	16.15%
42	74.31%	93	15.26%
43	73.01%	94	14.36%
44	71.71%	95	13.46%
45	70.41%	96	12.56%
46	69.11%	97	11.67%
47	67.81%	98	10.77%
48	66.51%	99	9.87%
49	65.21%	100	8.97%
50	63.91%	101	8.07%
51	62.61%	102	7.18%
52	61.31%	103	6.28%
53	60.01%	104	5.38%
54	58.71%	105	4.48%
55	57.41%	106	3.59%
56	56.11%	107	2.69%
57	54.81%	108	1.79%
58	53.51%	109	0.89%
59	52.21%	110+	0.00%
60	50.91%		

DISCOUNT TABLE - MICRONAIRE

Code	Description	Discount/B
G7 - G5	3.5+	-
G4	3.3 - 3.4	12.50%
G3	3.0 -3.2	17.50%
G2	2.7 - 2.9	20.00%
G1	2.5 - 2.6	25.00%
G0	2.4 & below	37.50%

DISCOUNT TABLE - LEAF & COLOUR

Colour	Colour Code	Leaf Code	Discount/B
WHITE	GM 11	1	-
		2	-
		3	-
		4	2.56%
		5-7	12.82%
	SM 21	1-2	-
		3	-
		4	3.85%
		5	13.46%
		6-7	17.31%
	MID 31	1-2	-
		3	-
		4	5.77%
		5	16.03%
		6-7	21.15%
	SLM 41	1-2	14.10%
		3	14.74%
		4	15.38%
		5	19.87%
		6-7	25.64%
	LM 51	1-3	19.87%
		4	21.79%
		5	23.72%
		6-7	28.21%
		1-4	33.97%
	SGO 61	5	33.97%
		6-7	33.97%
		1-2	8.97%
		3	9.62%
		4	14.10%
	GM 12 & SM 22	5	20.51%
		6-7	25.00%
		1-2	14.74%
		3	15.38%
		4	18.59%
LIGHT SPOT	MID 32	5	17.31%
		6-7	27.56%
		1-3	18.59%
		4	21.15%
		5	26.64%
	SLM 42	6-7	28.85%
		1-4	35.26%
		5	35.26%
		6-7	35.26%
		1-2	17.95%
	LM 52	3	17.95%
		4	21.15%
		5	26.92%
		6-7	28.21%
		1-3	18.59%
SPOTTED	MID 33	4	26.36%
		5-7	30.77%
		1-4	33.97%
		5	33.97%
		6-7	33.97%
	SLM 43	1-5	38.46%
		6-7	38.46%
	LM 53		

EXCLUSIONS

We are not liable for loss of, damage to or destruction of **Your** cotton crops caused directly or indirectly or arising from:-

1. wind, water, rain or flood;
2. water or moisture damage as a result of the melting of or from melted hailstones;
3. loss of Potential Yield which occurs before the Period of Insurance as listed in **Your Certificate of Insurance**;
4. loss of nutritional value of cotton, or plant material;
5. loss of quality;
6. Consequential loss of any kind;
7. loss of Potential Yield or damage caused by vermin, birds, insects, larvae;
8. disease, virus(es), bacteria or fungus;
9. wilful, dishonest, fraudulent or criminal act or omission of **You** or any member of **Your** family;
10. war, invasion acts of foreign enemies, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or resumption or nationalisation or requisition or destruction of or damage to cotton crop by or under the order of any government or public or local authority;
11. loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any acts of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

This exclusion also includes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism;

For the purpose of this exclusion an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf or in connection with any organisation(s) or government(s) which form its nature or context is done for, or in connection with political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This exclusion applies notwithstanding any provision to the contrary within this insurance or any endorsement thereto.

12. any ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel or the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

CLAIM CONDITIONS

1. Claims

TO ESTABLISH A CLAIM UNDER THIS POLICY YOU MUST COMPLY WITH THE FOLLOWING CONDITIONS

FAILURE TO DO SO MAY RESULT IN THE NON-PAYMENT OR REDUCTION OF YOUR CLAIM.

In the event of a circumstance which does or could give rise to a claim under this **Policy You** must -

- (a) notify **Us** within 48 hours, by completing **Our** claim notification form and return to **Us**;
- (b) allow **Us** and/or **Our** representatives to conduct any inspection and remove any samples deemed necessary to quantify the claim;
- (c) provide all such documents, information, samples and things with respect to the claim as may be reasonably required by **Us**;
- (d) be available, or have an authorised representative available, when the loss adjuster is on the **Property**.

2. Claim Payment

All claim payments will not include GST, which is neither chargeable nor recoverable.

GENERAL CONDITIONS

1. Payment of Premium

The premium plus government charges at the commencement of the **Period of Insurance** are shown on **Your Certificate of Insurance** as the 'Final Premium Details'. The Final Premium is payable over 2 payments as follows;

I. Deposit Payment

The deposit is a percentage of the Final Premium and must be paid within 30 days of the commencement of the **Period of Insurance**, unless otherwise agreed by **Us**.

II. Final Payment

We will issue a Final Invoice based on **Your** Policy Option Cover as follows

(a) Variable Yield Cover

We invoice You on Your Actual Yield once You provide Your ginning results and Final Declaration to Us within 14 days upon the completion of ginning or before the date shown in the Important Notices of Your Certificate of Insurance, whichever is the earlier.

(b) Predetermined Yield

We will invoice You on the date shown in the Important Notices of Your Certificate of Insurance. If You notify Us by that date of yield potentially being less than 75% of the Insured Yield then You will need to provide Your ginning results and Final Declaration to Us within 14 days upon the completion of ginning for Final Invoicing.

(c) Production Cost

Your Deposit payment is considered Your Final Payment. No refunds or premium adjustments are available under this cover.

The Final Payment must be paid by You to Your broker within 30 days of Us issuing the Final Invoice.

2. Husbandry

You must ensure that the cotton fields will be grown and tended in a manner consistent with generally accepted best farming practices and that all reasonable steps and loss prevention measures be taken for the protection and preservation of the plants and cotton.

3. Loss Mitigation

You must use due care and do and concur in doing all reasonably practicable things to avoid or diminish any loss or damage covered under this Policy.

4. Material Change

You must advise Us of any material change to the Property which may effect Your Insured Field(s), or the risk insured. In the event of any such material change, We reserve the right to amend the Policy terms and/or conditions, or cancel the Policy if We deem it appropriate.

5. Other Insurance

You must advise Us of all other insurances You have relating to the cotton crop.

6. Other Interests

The cover provided by this Policy does not extend to an interest that is not Your interest (unless it is a third party interest notified to Us in writing, and accepted by Us in writing and as shown on Your Certificate of Insurance). We will not be liable under this Policy to anybody except You.

7. Assignment

No interest in this Policy may be transferred to any other party without Our prior written consent.

8. Cancellation

You may cancel the Policy at any time by advising Us in writing. You will not be entitled to any refund of premium.

We may cancel the Policy in accordance with the Insurance Contracts Act 1984. If We do, We may provide a partial refund of premium in such amount as We determine.

9. Subrogation

We have the right to prosecute a claim in Your name to recover damages from another person in respect of amounts paid under this Policy. We have full discretion in the conduct of such proceedings and in the settlement of such claims.

You must not exclude or limit Your rights against any such party. If You do, We will not pay a claim to the extent We can no longer recover from that other party because those rights are affected.

10. Underinsurance

You will not be covered in respect of any fields which are not shown on Your Certificate of Insurance.

If the planted area for any fields is greater than the fields Insured Field area, Your claim in respect of each block Insured Field area will be reduced by the underinsurance percentage of the fields planted area.