

wine grape growers

insurance policy



General section

Applies to all sections of this policy

What you need to tell us

You must tell us anything you know or should know that could affect our decision to insure you. You must do this when you apply for a policy, renew your policy, and when you change or reinstate your policy. These requirements are part of the Insurance Contracts Act 1984.

What you need NOT tell us

You do not need to tell us anything that:

- ◆ reduces our risk.
- ◆ is of common knowledge.
- ◆ we know or as an insurer should know.
- ◆ we tell you we do not want to know.

What will happen if you do not tell us

We can reduce the amount we pay you for your claim, or we can cancel your policy.

If your failure to tell us is fraudulent, we can treat your policy as if it never existed.

Changing the risk

You must notify us as soon as you are aware of any changes that might affect cover under your policy. When we receive notification, we may decide to either:

- ◆ adjust the premium or the terms of the policy.
- ◆ cancel the policy, if we are entitled to do so.

Who is insured under this policy

The person, company or partnership named in the schedule is insured. In this policy, these people are called "you" or "your".

Who is the insurer

The insurer is CGU Insurance Limited. Our Australian Business Number is 27 004 478 371. Our Australian Financial Services Licence Number is 238 2991. In this policy the insurer is called "we", "us" or "our".

Our agreement

When you have paid the required premium to us, we will give you the cover described in this policy.

Our agreement is made up of:

- ◆ this policy wording.
- ◆ the current policy schedule.
- ◆ the application.
- ◆ the declaration.

The current policy schedule contains details that are specific to you and shows the sections of the policy you have selected and are paying for.

When your policy is changed or renewed, we will give you a new schedule. It will then become the current policy schedule.

Cover is only provided for events that happen during the period of insurance shown on your current policy schedule.

Words that have a special meaning in this policy

Where the following words appear in this policy, this is what they mean.

Crop - means commercially grown grape vines and berries of the same age and variety which, due to ownership, location and continuity of boundary, can be identified at the situation listed on the policy schedule.

Final revision date - is the date shown on the policy schedule.

Gross loss percentage - means the percentage loss of yield of ripe grape berries that is determined by our assessor.

Insured value - is the value per tonne of ripe grape berries that you have nominated for each crop. This value is shown on your policy schedule.

Insured yield - is the wet yield of ripe grape berries that you have nominated for each crop. This yield is shown on your policy schedule.

Potential yield - is the harvestable wet yield of ripe grape berries that the insured crop had the potential to produce, at or after veraison, if the insured event had not occurred.

Potential value - is the potential yield multiplied by the insured value.

Sum insured - is the amount shown on your policy schedule. It is the insured yield multiplied by the insured value.

Total sum insured - is the total of all sums insured appearing on the policy schedule.

Total potential value - is the total of all potential values.

Veraison - is the start of the second distinct cycle of fruit development during which the berry ripening process begins.

General exclusions

◆ We will not pay claims under any section of this policy for any loss of yield arising directly or indirectly from:

- a deliberate act ordered or 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.
- events that occurred before this contract was entered into.
- war or warlike activities, which include invasion, act of a foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection, military or seized power.
- anything nuclear or radioactive.
- lawful destruction or confiscation of your crop.
- any artificial heating or drying process.
- insects, birds, animals, sunburn, high temperatures, strong winds, sand blast or dust.
- disease, even if the disease occurs as a result of an insured event.
- too much or insufficient water or moisture (including action taken to prevent frost damage).
- flood. This is when water from a river, creek, lake, watercourse, reservoir, dam or navigable canal overflows onto normally dry land. Water that escapes from an irrigation canal is not flood.
- storm surge, the action of the sea, tidal wave, high water, tsunami or erosion.
- landslide or subsidence.
- corrosion, rot or gradual deterioration.

◆ We will not pay claims under any section of this policy for:

- damage which occurs prior to leaf unfolding when the flower becomes visible.
- any reduction in the yield of grape berries caused by damage to the stem or vegetative parts of the vine. This will not apply if a stem, which has one or more bunches attached to it, is damaged, thus preventing the translocation of nutrients to berries in the bunch.
- loss of quality or grade of grape berries.
- loss or damage caused by weeds or uninsured plants, even if loss or damage occurs as a result of a listed event.
- loss of buds or cuttings that would have otherwise been used in future plantings.
- damage that occurs in the current season, to any buds that would have had the potential to produce fruit in future seasons.
- consequential loss of any kind.

168 hour acceptance condition

The cover under this policy is subject to a 168 hour acceptance condition. This means that for any application, declaration or increase in yield that you send us, the cover or change will not commence until 168 hours after 4p.m. on the day we accept your application, declaration or increase in yield.

This condition will not apply to declarations that are received before the automatic cover period shown on the declaration.

Crop revision

At the beginning of each season, you must supply us with an **insured yield** and **insured value** for each **crop**.

Subject to our approval, you may revise the **insured yield** and **insured value** at any time prior to the **final revision date**. However, you cannot:

- ◆ change the **insured yield** or **insured value** after the **crop** has been harvested.
- ◆ reduce the **insured yield** or **insured value** after the **final revision date**.
- ◆ change the **insured yield** or **insured value** after a claim, unless the **potential yield** is less than your **insured yield**. In this case, the **insured yield** can be reduced to the **potential yield**.

Cancelling your policy

You can cancel this policy at any time. To do this, you must ask us in writing to cancel your policy. The policy will end when we receive your written request. We will not return any premium when you cancel the policy.

We can cancel this policy if you do any of the following:

- ◆ make a misleading statement to us when you apply for your insurance.
- ◆ fail to tell us anything you should tell us when you apply for this policy or when you change or reinstate this policy.
- ◆ fail to comply with the conditions of this policy.
- ◆ fail to pay the premium for this insurance.
- ◆ are not fair and open in your dealings with us.
- ◆ make a claim during the period of this policy that is not true. The claim does not have to be under this policy and can be with another insurance company.

We can also cancel this policy if you fail to notify us of a change in the circumstances of the risk during the period of insurance. If we cancel this policy, we must advise you in writing. To do this, a notice will be delivered to you or posted to you.

We will refund all the premium you have paid us for the time remaining on the policy.

You cannot give your rights away

You cannot give anyone else an interest in this policy without our written consent.

Care and protection

You are required to tend your vineyard in a manner that is consistent with generally accepted practices and procedures within the viticulture industry. Care must be taken to ensure the protection and preservation of your **crop(s)** at all times.

How to make a claim under your policy

Please contact your nearest CGU office, or your insurance representative, when something happens for which you believe you can make a claim.

Maximum payment

The most we will pay for any claim under this policy is the **sum insured** or agreed value shown on the policy schedule, less any applicable excess, unless otherwise indicated in the policy.

The law that applies to this policy

Any disputes arising from this policy will be determined by the courts, and in accordance with the laws, of the State or Territory of Australia where this policy is issued.

The way we handle your personal information

We collect personal information from you for the purpose of providing you with insurance products, services, and processing and assessing claims.

You can choose not to provide this information, however, we may not be able to process your requests.

We may disclose information we hold about you to other insurers, an insurance reference service or as required by law. In event of a claim, we may disclose information to and/or collect additional information about you from investigators or legal advisers.

If you wish to update or access the information we hold about you, contact us.

Claims conditions

To make a claim under this policy, you must:

- ◆ contact us as soon as possible, telling us your policy number, the time that the loss occurred and the type of **crop** or trellis involved.
- ◆ report the loss to the police if you suspect arson or malicious damage. You must do this as soon as possible.
- ◆ give us, or anybody acting on our behalf access to assess any loss or damage. You must provide all reasonable assistance that we may require.
- ◆ tell us about any other insurance that covers the **crop** and about any other person with an interest in the **crop**.
- ◆ for claims under Section 1 or 2, inform us if the **crop** is ready for harvesting or is being harvested. You may start or continue to harvest, providing you leave unharvested sample sites in each **crop**.

If the **crop** is less than 10 hectares, you should leave at least 5 sample sites, each consisting of 10 metres of vine. If the insured **crop** is greater than 10 hectares, an additional sample site should be left for every additional 5 hectares of **crop**.

Example:

If the area of an insured **crop** is 35 hectares and all or part of the **crop** is damaged by an insured event, you should leave at least 10 sample sites for inspection by the assessor.

Sample sites must be located carefully so they each represent equal areas of **crop**, in both damaged and undamaged areas. The samples should be representative of the area and should not be located in the outside rows or within 5m of the end of a row.

Each sample site should be marked with pegs or tape so that it can be located by the assessor.

You must not:

- ◆ interfere with the **crop** in any way until the **crop** has been inspected by one of our assessors. If you need to conduct any management practices, such as pruning, irrigation or the application of chemicals or fertiliser, you must provide sufficient warning so that our assessor can inspect the **crop** before you proceed with the operation. If the **crop** is ready for harvest or is being harvested, you should follow the instructions under bullet point number five of the Claims Conditions.
- ◆ repair or replace any damaged property without our consent, unless it is to prevent or reduce damage that would otherwise occur.

After your claim is accepted

If you have a right to claim against someone for a claim you made under this policy, you give us your rights to make that claim. You also give us your rights to conduct, defend or settle any legal action and to act in your name.

You must not do anything which prevents us from doing this and you must give us all the information and cooperation we require.

Section 1– Fire and hail

The cover

Under this section, we will pay for the loss of **potential yield** of ripe grape berries caused by fire, lightning or the impact of hailstones. Cover is only provided for grape berries on **crops** that are listed on the policy schedule.

We will settle all claims according to the Basis of Settlement and subject to the terms, conditions and exclusions of this policy.

Basis of settlement

In the event of a loss, the amount we will pay will be determined by applying the net loss percentage to the **sum insured** or the **potential value**, whichever is the lesser.

The net loss percentage is the **gross loss percentage** less the excess.

We may delay the final assessment of a claim until the **crop** reaches **veraison**.

We will not pay for any loss until:

- ◆ all premiums have been paid; and
- ◆ after the **final revision date**.

Excess

For claims under this section, you must pay the excess listed on the policy schedule. The excess is a percentage of the **sum insured** or the **potential value** (whichever is the lesser), and is deducted from the **gross loss percentage** when calculating the claim payment.

e.g.	Gross Loss Percentage	=	35%
	Excess	=	20%
	Net Loss Percentage	=	15%

Where the **gross loss percentage** for a **crop** exceeds 40%, the excess will be reduced by 1% for every 1% increase over and above the said 40%.

Example:

If a **crop** has an excess of 20%, there will be no excess on the **crop** once the claim exceeds 60%.

Additional benefit – road transit

When you select cover for “Section 1: Fire and Hail”, we will cover harvested grape berries against loss or damage caused by fire, flood, collision or overturning during road transport. Cover is only provided if the grape berries are within 500km of the place of harvest.

We will not cover loss or damage to grape berries:

- ◆ from **crops** that were not listed on the policy schedule.
- ◆ when carried in an overloaded or unroadworthy vehicle.
- ◆ when carried uncovered, unprotected or in an inadequately constructed vehicle or bin.

Claims will be settled on the basis of **insured value** (shown on the policy schedule) for each tonne lost. The size of the loss will be determined by an assessor appointed by us.

Section 2 – Frost

*This cover is only available for **crops** insured under “Section 1: Fire and Hail”. When you select this cover, you must insure all **crops** in the vineyard.*

The cover

Under this section, we will pay for loss of **potential yield** of ripe grape berries caused by frost damage. Cover is only provided for grape berries on **crops** that are listed on the policy schedule.

We will settle all claims according to the Basis of Settlement and subject to the terms, conditions and exclusions of this policy.

Frost Damage - means damage caused by frost freezing and causing rupture of plant cells in the current season's, flower parts, immature or mature berries.

No cover is provided for frost damage to other parts of the vine or for any damage to the vine in the current season that will affect production in future seasons.

Basis of settlement

All claims under this section will be settled as follows:

- ◆ For each **crop**, we will determine the **gross loss percentage** caused by frost.
- ◆ For each **crop**, the **gross loss percentage** will be multiplied by the **sum insured** or the **potential value**, whichever is the lesser, to produce the gross loss value.
- ◆ The gross loss values for each **crop** will be totalled and the excess deducted to determine the claim payment.

We may delay the final assessment of a claim until the **crop** reaches maturity.

We will not pay for any loss until:

- ◆ All premiums have been paid; and
- ◆ After the **final revision date**.

Excess

For claims under this section, you must pay the excess listed on the policy schedule. The excess for frost damage is the amount that is calculated by multiplying the percentage listed on the policy schedule by the **total sum insured** or the **total potential value**, whichever is the lesser.

Where the loss for the vineyard exceeds 40%, the excess will be reduced by 1% for every 1% increase over and above the said 40%.

Example:

If a vineyard has an excess of 30%, there will be no excess when the claim exceeds 70% of the **total sum insured**.

Example

Note: In this example, the **sum insured** and the **potential value** are assumed to be the same. The excess is 30%.

Crop	Insured Yield	Insured Value per tonne	Sum Insured	Gross Loss %	Gross Loss Value
1	100t	\$500	\$50,000	60%	\$30,000
2	50t	\$1000	\$50,000	70%	\$35,000
3	70t	\$600	\$42,000	0%	\$0
4	100t	\$700	\$70,000	50%	\$35,000
Total			\$212,000		\$100,000

In this example, the **total sum insured** is \$212,000 and the sum of the Gross Loss Values is \$100,000 (i.e. 47.17%).

Since the loss is greater than 40%, the excess is reduced by 1% for every 1% increase over and above 40%. This reduces the excess from 30% to 22.83% (i.e. \$48,400).

Therefore, the claim payment is \$51,600 (i.e. \$100,000 less \$48,400).

Section 3 – Vines and trellising

The cover

Under this section we will pay for physical loss or damage to vines, trellis or irrigation pipes caused by an insured event. The vines must be damaged to such an extent that they require replacement.

Cover is only provided for vines, trellis and irrigation equipment that is listed on the policy schedule. No cover is provided for grape berries that are growing on the vines.

We will settle all claims according to the Basis of Settlement and subject to the terms, conditions and exclusions of this policy.

Insured events

Cover is provided against loss or damage caused by the following events:

- ◆ Fire or explosion
- ◆ Lightning or thunderbolt
- ◆ Earthquake
- ◆ Storm, rainwater or wind.

Basis of settlement

For damage to vines, we will pay the agreed value (listed on the policy schedule) for each hectare of vine that requires replacement.

For damage to trellising or irrigation pipes, we will do one of the following:

- ◆ Replace the trellising or irrigation pipes with the nearest equivalent new trellising, or irrigation pipes
- ◆ Repair the trellising or irrigation pipes to the condition they were in when new, or
- ◆ Pay the cost of replacement or repair.

We will decide which one we do.

The most we will pay is the value per metre listed on the policy schedule.

Goods and services tax

Where we make a payment under this policy for the acquisition of goods, services or other supply, we will reduce the amount of the payment by the amount of any input tax credit that you are, or will be, entitled to under A New Tax System (Goods and Services Tax) Act 1999, in relation to that acquisition.

Where we make a payment under this policy as compensation instead of payment for the acquisition of goods, services or other supply, we will reduce the amount of the payment by the amount of any input tax credit that you would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 had the payment been applied to acquire such goods, services or other supply.

Excess

For claims under this section, you must pay the excess listed on the policy schedule.

Additional benefit – growing costs

Where insured vines have been damaged, but not totally destroyed, by an insured event, we will pay the additional costs incurred to prevent death of the vines.

These costs must be incurred within 12 months of the loss and must be over and above the normal growing costs.

You must submit reports to justify all additional costs and keep us advised on the progress of the vines.

Unless we agree otherwise, we will not pay more than 10% of the agreed value for each hectare of vine.



Insurer
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AFS Licence No. 238291