

OLIVES 2008



THOUSANDS OF GROWERS.
ONE SPECIALIST BROKER.



2008 OLIVE INSURANCE PRODUCT
www.agririsk.co.nz

2008 OLIVE INSURANCE PRODUCT INFORMATION

AgriRisk is the only broker in New Zealand that specialises in insurance for agribusiness, including New Zealand's olive industry. As specialists we understand, your investment capital and income producing assets are exposed to a variety of production risks. Whilst you are able to manage most of these risks, the Olive crop insurance product is designed to financially safeguard you from some of the production risks that are difficult or impossible to manage.

This flyer is a brief summary of the Olive Insurance Policy. For additional information contact AgriRisk.

OLIVE CROP INSURANCE

This Insurance Policy is designed to reimburse you for a loss of Potential Yield to the current crop directly caused by hail and if selected, fire and frost.

WHAT ADDITIONAL COVER IS PROVIDED?

The policy automatically provides cover for

- **Harvested Fruit** *Loss to harvested crops resulting from fire, lightning or explosion whilst stored at place of harvest. Accidental loss to harvested crops whilst in transit. This benefit is only available if a nominated amount per tray carton equivalent (TCE) has been selected to calculate the agreed value per hectare.*
- **Malicious Acts** *A deliberate act by a person or persons resulting in damage to or destruction of crops.*
- **Chemical Over Spray** *Loss or damage to crops caused directly by chemical spray drift from any ground based chemical spraying operation provided that the spraying was not performed by you or on your behalf.*
- **Impact Damage** *Loss or damage to crops caused by impact with road or rail vehicle, or an aircraft, or anything dropped or falling from an aircraft, space debris or debris from a rocket or satellite.*
- **Additional Expenses Cover** *In the event of loss or damage to crops, any additional expenses incurred in order to reduce the size of a claim or for the removal or disposal of damaged crops.*

OPTIONAL BENEFITS

- **Fire, Earthquake, Volcanic Eruption and Landslip**
- **65% Constructive Total Loss**
- **Frost**

If you are interested in any of these options please contact AgriRisk for more information.

WHEN DOES COVER COMMENCE?

The Period of Insurance begins at the later of:

- 9am on the second day after insurers accept your proposal; or
- 1 September 2007 except for frost cover where the commencement date is noted on your policy schedule or
- When at least 75% of fruit has reached at least 6mm in diameter.

HOW DOES THE CROP COVER WORK?

If the crop on your insured block suffers a yield loss as a direct consequence of an insured peril during the period of insurance then you will be entitled to lodge a claim under this policy. The claim on each affected block will be calculated as follows:

Crop Block Sum Insured x (percentage loss of yield less the applicable excess)

WHAT IS THE SUM INSURED ON EACH BLOCK?

The Sum Insured on each block is calculated as follows:

Area (ha) x Crop Sum Insured per Hectare

WHAT IS THE CROP SUM INSURED PER HECTARE?

The Crop Sum Insured per Hectare is the Agreed Value per hectare you wish to insure your crops for.

The Agreed Value can simply be your Production Costs per hectare or alternatively your Tray Carton Equivalent (TCE) x value per TCE.

You may nominate different values for individual blocks.

WHAT IS THE CROP TOTAL SUM INSURED?

The Crop Total Sum Insured is simply the sum of the crop block sums insured.

DO ALL BLOCKS NEED TO BE INSURED?

No you do not have to insure all your blocks however your application and map must clearly highlight those blocks that are insured. The map must also show those blocks which are uninsured with details of why they are not being insured.

IS THERE AN EXCESS?

Yes, an excess will apply to all crop losses. The excess is based on the total sum insured for each orchard insured. The standard excess is 20%. Premium discounts are available if excesses are increased to 25% or 30%. An excess of 10% is available however it attracts an additional premium and is not available for frost covers.

HOW IS THE PREMIUM CALCULATED?

The premium is calculated by multiplying the Total Sum Insured by the applicable premium rate.

We will provide you with the Insurers premium quotation following receipt of your completed insurance application.

WHAT HAPPENS IN THE EVENT OF A LOSS?

You must notify the appointed Loss Adjuster, ALM Group within 48 hours of the happening of any event covered by this policy and provide them with full details of the loss. The Loss Adjuster will inspect your crop and determine your claim based on their assessment of the reduction in the Potential Yield of the crop as a direct consequence of the insured perils.

HOW DOES THE LOSS ADJUSTER DETERMINE THE PERCENTAGE LOSS OF YIELD?

Initially the Loss Adjuster will conduct a series of tests in each block affected involving a physical count of the crop damaged or destroyed. The results of these tests will then be considered relative to the Potential Yield that could have been achieved but for the loss.

HOW DOES THE LOSS ADJUSTER DETERMINE THE CROPS POTENTIAL YIELD?

The Loss Adjuster will usually look at the yields achieved on unaffected (control) blocks of similar age and variety that have been subject to the same care and management.

WHAT IS A CONSTRUCTIVE TOTAL LOSS?

Where the Loss Adjuster determines the assessed percentage loss per block of the crop is greater than 65% and you agree to abandon and not sell the remaining crop, the block will be declared 100% damaged.

WHO IS THE INSURER?

The policy is underwritten by Primacy Underwriting Agency Pty Ltd who act as agents of the insurer, Farmers Mutual Insurance Association (FMG). FMG has been assigned an A- (excellent) financial strength rating from A.M. Best. Company on 29 June 2007.



For more information and advice, a copy of the policy or an obligation free quotation please contact Nikki Berney, Christine McKinnon or Helen Mahakitau on 09 414 2547, Freecall: 0800 247 873 or email agririsk@agririsk.co.nz You can also visit our website at www.agririsk.co.nz