



Arable Crop Policy





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Your Policy

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In 1905, FMG was formed as a Mutual by farmers to ensure value for money and competitive service for farmers. Today we continue to uphold those values and work for rural New Zealand to help us improve our products and services to give our customers added value.

FMG is totally committed to rural communities, and we are specialists in our field – something we are especially proud of. The products we develop are in direct response to the understanding we have of the rural sector, the issues and challenges our customers face, as well as their changing insurance needs.



Thank you for choosing your
FMG Arable Crop Policy

What's contained in your policy folder

- Your policy document
- Your policy certificate

If you are a new customer you will also receive our Welcome brochure.

Introduction

Please take the time to read through these documents carefully because they form the insurance contract you have with us. Your policy certificate is particularly important because if there is any inconsistency between your FMG policy wording and what is on the certificate, it is the certificate that applies. Under this contract, we both have responsibilities to ensure everything runs smoothly. These are detailed as follows, and if there is anything that you don't understand, please contact your local FMG manager. The expiry date of this Policy is shown on the policy certificate. We will be in contact with you regarding renewal of your insurance around that date.

Your Responsibilities

This **FMG** Policy has been provided to **you** based on **your** disclosure to us.

If there is any important information which could relate to the cover provided under this Policy, you need to let us know. Please be aware that disclosure of relevant information will not necessarily affect your right to cover but not informing us might result in no insurance at all. It is important that you:

- Please tell us anything relevant before the cover starts, even if we don't specifically ask about it;
- Please update your information with us should anything about your circumstances change, both during the period of insurance and at the time of renewal.

Cover under your policy will not commence until you have paid, or have agreed to pay, the premium (including any Government charges) for the period of insurance. If your premiums are not paid on time, your insurance could be cancelled and you will not be insured.

This FMG Policy has been designed to meet the specific needs of those who work on the land and those who support them, however; it is important to check that it is right for you. It is essential that you:

- Tell us of any errors in your documentation;
- Contact us if there is anything you don't understand and would like explained more fully; and
- Keep this Policy in a safe place along with your renewal notice(s).

This Policy contains some exclusions and these are detailed throughout the policy document. There is also a section called General Exclusions which applies to the wording in its entirety. It is important that you read these and are aware of them.

The Policy also contains certain conditions and obligations that you must meet. If you don't, we may decline any claim you make. Any other person that is entitled to claim under this Policy must also meet these conditions and obligations.



Our Responsibilities

We agree to provide the cover set out in this Policy for items shown on your certificate only. Throughout the document certain important words are in bold type; please refer to the Definitions section for the specific meaning of these words.

FMG is a member of the Insurance Council of New Zealand and, as such, we have committed to being a fair insurer in accordance with the Council's Fair Insurance Code. For a copy of the code, please call us on 0800 366 466.

As you will be aware, the proposal you completed contains personal information relating to you and/or your business. We collect this information to enable us to fully evaluate your proposal and we may require further information from you later on if you make a claim or wish to renew your Policy with us. The Proposal you completed also authorised us to collect relevant information about you and/or your business from third parties, such as other insurers and insurance brokers.

However, we fully understand the importance of protecting your personal, commercial and financial information. We also respect your right to privacy and therefore will not share your information with anyone else unless you have authorised us to do so.

Your information will be held securely by us, within our organisation, and you are entitled to access and correct the information you have provided, as set out in the Privacy Act 1993.

We are confident this Policy will be right for you. However, you may cancel your Policy within 30 days of the commencement date for any reason if you are not entirely happy. We will refund any premium you have paid if you have not made a claim within that period.

Your Feedback

Your feedback enables us to identify opportunities to make our products and services even better. If you have any feedback – good or bad – we would like to hear from you.

If you have a concern about something that has happened, tell us and we will investigate the issue quickly and inform you of the outcome, either by phone, in writing or by visiting you at a convenient time.

Similarly, if you have received exceptional service, we need to know about it in order to congratulate our team - so please let us know.

How you can contact us

- Call us on **0800 366 466**
- Contact your local FMG manager
- Write to us at FMG, PO Box 1943, Palmerston North 4440
- Visit our website www.fmg.co.nz
- Email us at contact@fmg.co.nz
- Fax us on **0800 366 455**

Summary of Benefits

Section 1 - Growing Crop

What your growing crop is insured for	The base level of protection for which you are covered.
	1. Accidental loss of your growing crop from defined perils

Your Policy: Section 1 Growing Crop



We agree to provide you with the insurance set out in this Policy.

What your growing crop is insured for

- Under this Policy you have cover for one, or both, of the following insured events:
 - Crop Fire: **Your growing crop** is insured for **accidental loss** caused directly by;
 - fire, or
 - lightning.
 - Crop Expanded Perils and Fire: **Your growing crop** is insured for **accidental loss** caused directly by;
 - fire,
 - lightning,
 - frost,
 - windstorm,
 - hail, or
 - impact by vehicles or aircraft.
- The insured events cover you have is shown on the **certificate**.

What your growing crop is not insured for

- Your growing crop** is not insured for **loss**:
 - Connected in any way with explosion, subterranean fire, volcanic eruption, earthquake, tsunami, landslip or subsidence.
 - While in any building or silo.
 - While in transit beyond the confines of any field shown on the **certificate** or fields immediately adjoining them.
 - Caused by frost before 15 November in the season for which you are insured.
 - Caused by frost, hail, windstorm or impact by vehicle or aircraft unless the **loss** exceeds 30% of the **potential yield** of the field during the **period of insurance**.
- Your growing crop excess**.
 - For **losses** by;
 - frost,
 - hail,
 - windstorm, or
 - impact by vehicles or aircraft

you will be responsible for the first 20% of the **loss** calculated.

What we will pay

- If you claim for **loss to your crop** under Section 1 - Growing Crop or Section 2 - Harvested Crop of this Policy, we will pay **your loss** calculated as the **yield loss** multiplied by:
 - the lesser of the:
 - market value at the date of **loss**, or
 - insured value per tonne as specified on the **proposal**,
 - where **your** sum insured is based on the guaranteed contract price, with written confirmation from a certified purchaser, the guaranteed contract price minus any costs you would have incurred had **your crop** not been damaged.
- If **your damaged crop** is wheat, we will also deduct any amount you are entitled to receive from the United Wheat Growers (NZ) Ltd statutory insurance scheme.
- If you suffer a **loss** within 40 days of planting, we will pay you 80% of the reasonable costs of replanting the damaged area in the same **crop**.
- The maximum we will pay during the applicable **period of insurance** is the sum insured for each **crop**, as shown on the **certificate**.
- We are entitled to deduct the following amounts from any claim settlement:
 - Any amount you obtain from the sale of **your damaged crop**;
 - Any amount you would have obtained had **your damaged crop** been harvested; and
 - Any other salvage amount.
- You may adjust the **potential yield** for any or all **crops** declared at any time up to the 1st February during the applicable **period of insurance**, subject to the following:
 - There is no limit on upward adjustment; however, a maximum reduction of 25% will apply. No adjustment will be allowed if **loss** has been suffered.
 - If **your crop** is damaged within 48 hours of you increasing the **potential yield**, we will settle **your claim** on the basis of the **potential yield** prior to the increase.

Summary of Benefits

Section 2 - Harvested Crop

What your harvested crop is insured for	The base level of protection for which you are covered.
	1. Accidental loss of your harvested crop

Your Policy: Section 2 Harvested Crop



What your harvested crop is insured for

Your harvested crop is insured for **accidental loss**.

What your harvested crop is not insured for

1. Your harvested crop excess.

- (a) you will be responsible for the first \$250 of each **loss**.

What we will pay

1. If you claim for **loss** to your crop under Section 1 - Growing Crop or Section 2 - Harvested Crop of this Policy, we will pay your **loss** calculated as the **yield loss** multiplied by:
 - (a) the lesser of the:
 - (i) market value at the date of **loss**, or
 - (ii) insured value per tonne as specified on the **proposal**,or
 - (b) where your sum insured is based on the guaranteed contract price, with written confirmation from a certified purchaser, the guaranteed contract price minus any costs you would have incurred had your **crop** not been damaged.
2. If your damaged **crop** is wheat, we will also deduct any amount you are entitled to receive from the United Wheat Growers (NZ) Ltd statutory insurance scheme.
3. If you suffer a **loss** within 40 days of planting, we will pay you 80% of the reasonable costs of replanting the damaged area in the same **crop**.
4. The maximum we will pay during the applicable **period of insurance** is the sum insured for each **crop**, as shown on the **certificate**.
5. We are entitled to deduct the following amounts from any claim settlement:
 - (a) Any amount you obtain from the sale of your damaged **crop**;
 - (b) Any amount you would have obtained had your damaged **crop** been harvested; and
 - (c) Any other salvage amount.
6. You may adjust the **potential yield** for any or all **crops** declared at any time up to the 1st February during the applicable **period of insurance**, subject to the following:
 - (a) There is no limit on upward adjustment; however, a maximum reduction of 25% will apply. No adjustment will be allowed if **loss** has been suffered.
 - (b) If your **crop** is damaged within 48 hours of you increasing the **potential yield**, we will settle your claim on the basis of the **potential yield** prior to the increase.

General Exclusions

These exclusions apply to both Section 1 - Growing Crop and Section 2 - Harvested Crop of **your** Policy.

1. **You** are not insured for any event connected in any way with:
 - (a) Pests, fungal bacterial viral diseases and nematodes, vermin, bird damage, sprouting, insects;
 - (b) Mismanagement or failure to apply acceptable horticultural practices;
 - (c) Any heating or drying process, natural fermentation, natural heating, or spontaneous combustion;
 - (d) **Crop** in the windrow apart from **loss** caused directly by fire or hail provided the **crop** has been insured for these perils;
 - (e) war, invasion, act of foreign enemy, hostilities or warlike operations (whether war is declared or not), civil war, civil commotion assuming the proportions of or amounting to a popular rising, military rising, mutiny, rebellion, revolution, insurrection, military or usurped power;
 - (f) confiscation, requisition, nationalisation, or destruction of, or damage to property by order of Government or Local Authority unless the order is given for the purpose of controlling a peril covered by this Policy;
 - (g) nuclear weapons material;
 - (h) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel; (For the purpose of this exclusion, "combustion" includes any self-sustaining process of nuclear fission.)
 - (i) An **act of terrorism** regardless of any other contributing cause or event;
 - (j) An action or omission by any person or group(s) of persons, whether acting alone, or on behalf, or in connection with any organisation or government in:
 - (i) controlling
 - (ii) preventing
 - (iii) suppressing
 - (iv) retaliating against
 - (v) responding to
 - (vi) hindering
 - (vii) defending, or
 - (viii) in any way connected with **any act of terrorism**.
2. **You** are not insured for:
 - (a) Consequential loss of any kind, including but not limited to:
 - (i) penalties
 - (ii) loss of use of property
 - (iii) loss resulting from delays
 - (iv) loss of market
 - (v) loss of profits
 - (vi) loss of income
 - (vii) loss resulting from depreciation, or
 - (viii) loss of value.
 - (b) Loss of quality of **your crop** including, but not limited to, reduced grain weight or abnormally high screenings.
 - (c) Any **loss** that occurs within 48 hours of the commencement of the applicable **period of insurance**.
 - (d) Any **excess**:
 - (i) if an **event** is covered under more than one of **your FMG** Policies, **you** will have to pay only one **excess**. This will be the highest applicable **excess** that we could apply under any one of those Policies.

Claims Conditions

These conditions applying to both Section 1 - Growing Crop and Section 2 - Harvested Crop of **your** Policy are important and must all be met before **we** will accept a claim under **your** Policy with **us**.

1. **What you must do**
 - (a) **You** must notify **us** of any circumstance likely to lead to a claim;
 - (i) within 7 days of becoming aware of such circumstance, and
 - (ii) prior to the completion of combine harvesting.
 - (b) **You** must complete **our** claim form in full if **we** request **you** to do so, and return it to **us** within 30 days of **our** request.

What you need to know



- (c) **You** must take reasonable steps to minimise the claim and avoid any further claim.
- (d) **You** must make a complaint to the Police if **you** suspect criminal activity.
- (e) **You** must provide all reasonable information and assistance **we** require at any time.
- (f) **You** must immediately send **us** all relevant correspondence and court documentation.
- (g) **You** must authorise the disclosure of any personal information about **you** in connection with **your** insurance:
 - (i) to **us**, and
 - (ii) to Insurance Claims Register Limited.

2. What you must not do

- (a) **You** must not say or do anything that prejudices **our** ability to take recovery action in **your** name.
- (b) **You** must not start any remedial action without **our** prior approval.
- (c) **You** must not dispose of any property that is to be the subject of **your** claim, without **our** prior approval.

3. Fraud

- (a) **You**, and anyone else entitled to claim under this Policy, must ensure all statements made to **us** are true and complete.
- (b) If **your** claim is dishonest or fraudulent in any way, **we** are entitled to:
 - (i) decline **your** claim in whole or in part, and/or
 - (ii) bring the Policy to an end from the date of the dishonest or fraudulent act.
- (c) **We** may also notify the Police.

4. Other Insurance

- (a) **You** must immediately notify **us** of any other insurance that covers **you** for any of the risks covered under this Policy.
- (b) **We** will only pay over and above the limit payable only under that other insurance.

5. Recoveries

- (a) Once **we** have accepted any part of any claim, **we** may exercise any legal right of recovery **you** have for **our** own benefit at **our** own expense.
- (b) **You** must fully co-operate with **us**.

- (c) If any lost or stolen property which **you** have claimed for is subsequently recovered by **you**, **you** must hand it over to **us**. **We** are entitled to keep it, including any proceeds of its sale.
- (d) If any person is ordered to make reparation to **you** in respect of property **you** have claimed for, **you** must immediately send **us** any payments **you** receive. **We** are entitled to keep those payments.

6. Salvage

- (a) If **your** claim relates to damaged property, **we** are entitled to retain possession of the damaged property and deal with salvage in a reasonable manner.
- (b) **You** cannot abandon any property to **us**.

General Conditions

These conditions applying to both Section 1 - Growing Crop and Section 2 - Harvested Crop of **your** Policy are important and must all be met before **we** will accept a claim under **your** Policy with **us**.

1. Acts of Parliament

- (a) Any Acts of Parliament referred to in this Policy include any:
 - (i) amendments or Statutory Regulations made under them; and
 - (ii) Acts or Regulations made in substitution for the original Acts or Regulations.

2. Average

- (a) The Condition of Average will apply if, at the time of **loss your crop** is insured for less than 85% of its **potential yield**.
- (b) If **you** suffer a partial **loss** and **you** are underinsured, the maximum **you** can recover from **us** will bear the same proportion to **your** actual **loss** as **your crop** bears to the full value of **your total crop**.
- (c) **You** will not be entitled to recover more than the amount for which **your crop** is insured.

3. Cancellation

- (a) **We** may cancel the Policy:
 - (i) if **you** do not pay **your** premium within 30 days of the Policy coming into force, or
 - (ii) if **you** breach any of the General Conditions by giving **you** 14 days' notice in writing to **your** last known address as held by **us**.
- (b) Other than expressly provided in 3.(a) above, this Policy cannot be cancelled.

4. Changes

- (a) Where **we** agree, **you** may change the Policy by giving **us** notice of the changes.
- (b) **We** may change the terms of the Policy at any time by giving **you** notice at **your** last known address as held by **us**. The changes **we** make will take effect 14 days after the day **we** send or deliver the notice to **you**.

5. Compliance with the Policy

- (a) **You**, and anyone else entitled to claim under this Policy, must comply with all the terms of the Policy before **we** will meet any claim under it.

6. Crop Inspection

- (a) **We** have the right to inspect or examine **your** **crop** at any reasonable time.
- (b) Where **you** insure **your** crop with **us**, **you** must insure the total planting of that **crop** or variety of that **crop** that **you** grow.

7. Currency

- (a) All monetary amounts referred to in this Policy are expressed and payable in New Zealand dollars.

8. Defined Words

- (a) To clarify the cover **you** have in this Policy, some words appear in bold. These words have a specific meaning, which is outlined in the Definitions section. Defined words specific to some sections are outlined within those sections.

9. Goods and Services Tax

- (a) Where GST is recoverable by **us** under the Goods and Services Tax Act 1985:
 - (i) all amounts insured exclude GST (unless otherwise shown on the **certificate**); and
 - (ii) GST will be added, where applicable, to claim payments.

10. Governing Law

- (a) The law of New Zealand applies to the Policy and the New Zealand courts have exclusive jurisdiction.

11. Headings

- (a) Headings are for reference only. They do not form part of the Policy and are not to be used in interpreting it.

12. Interested Parties

- (a) If **we** are advised in writing of a party holding a financial interest over the property insured under the Policy:
 - (i) that party is noted by **us**, but is not directly insured under the Policy;
 - (ii) **you** authorise **us** to disclose to that party personal information about **you** in connection with the Policy; and
 - (iii) **we** may **make** a claim payment directly to that party up to the limit of its interest. This meets **our** obligations to **you** under the Policy to that extent.

13. Location – in New Zealand only

- (a) This Policy covers **your** **crop** while it is in New Zealand, unless another location is shown on the **certificate**.

14. Notification of any Change in Circumstances

- (a) After the Policy has commenced, **you** must notify **us** immediately of any change in circumstances **you** are aware of which:
 - (i) increases, or
 - (ii) altersany risk insured under the Policy.
- (b) Once **you** have done so, **we** may change the premium and/or terms of cover, at **our** discretion.

What you need to know



- (c) If **you** fail to notify **us** of any change in circumstances, **we** may:
 - (i) refuse to meet any claim, and/or
 - (ii) bring the Policy to an end from the date of the failure.

15. Payment of Premiums

- (a) Cover under **your** Policy will not commence until **you** have paid, or have agreed to pay, the premium (including any Government charges) for the **period of insurance**.
- (b) If **we** have agreed that **you** can pay **your** premium in instalments, payments are due in accordance with the agreement **we** have with **you**. In such case, cover under **your** Policy will not commence until **you** have paid, or have agreed to pay, the premium, including any Government charges, due under this agreement.
- (c) If **you** suffer a total loss:
 - (i) we will not settle **your** claim:
 - (1) until the full annual premium is paid, or
 - (2) if **you** are paying **your** premium by instalments, until the balance of the full annual premium is paid; and
 - (ii) we may deduct any outstanding annual premium from the claim settlement.
- (d) It is important **you** continue to pay your **premiums** on time (either in full, in advance, or in accordance with any agreement **we** have with **you**).

16. Reasonable Care

- (a) **You** must take reasonable care to avoid and minimise **loss** occurring to the property insured under the Policy at **your** own expense. This includes:
 - (i) complying with all relevant laws,
 - (ii) complying with all manufacturer's recommendations,
 - (iii) employing competent employees, and
 - (iv) maintaining and operating all security protection equipment, and all fire protection and extinguishment equipment at all relevant times.
- (b) **We** will not pay any claim if **you** have been reckless or grossly irresponsible.

17. Separate Insurance

- (a) If this Policy insures more than one person or entity, they are insured separately as though **we** issued a separate Policy to each. However, **our** maximum liability under the Policy applies across all persons and legal entities collectively.

Definitions

The following definitions apply to **your** Policy, unless the context requires otherwise. References to the singular include the plural and vice versa.

Accidental means an event which is sudden, unintended and unforeseen by **you**.

Act of terrorism includes, but is not limited to, any act, or preparation in respect of action, or threat of action or the use or threat of force or violence which;

- (i) involves violence against one or more persons; or
- (ii) involves damage to property; or
- (iii) endangers life other than that of the person committing the action; or
- (iv) creates a risk to health or safety of the public or a section of the public; or
- (v) is designed to interfere with or to disrupt an electronic system,

by any person or group(s) of persons, whether acting alone, or on behalf of, or in connection with, any organisation(s) or government(s) and which from its nature or context is committed for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons, including the intention to influence any government and/or to intimidate the public or any section of the public

Certificate means the latest version of **your** Policy Certificate issued by **us** which contains details of **your** insurance cover under the Policy.

Crop means the crop that **you** have insured, as shown on the **certificate**, as long as that crop was planted before 15 December in the season for which **you** are insured.

Excess means the first amount of a claim that **you** must pay, as shown in this Policy

FMG means Farmers' Mutual Group or FMG Insurance Limited, as shown on the **certificate**.

Growing crop means **your crop** that is growing in the field or that is being, or has been, cut.

Harvested crop means **your crop** that has been gathered or that is in transit or storage anywhere in New Zealand.

Loss means physical:

- (a) Loss,
- (b) Damage, or
- (c) Destruction

of tangible property during the applicable **period of insurance**.

Period of insurance

(a) For Section 1 - Growing Crop, means the period for which **your crop** is insured by this Policy, as shown on the **certificate**. That period does not begin until **your crop** has fully emerged and is fully established:

(i) if **your crop** is maize, that period ends:

- (1) at harvesting, or
- (2) on 31 August at 4.00pm,

whichever is earlier.

(ii) For all other **crops**, that period ends:

- (1) at harvesting, or
- (2) on 30 June at 4.00 pm,

whichever is earlier.

(b) For Section 2 - Harvested Crop, means from the date harvest of the **harvested crop** is complete until the expiry of:

- (i) 12 months, or
- (ii) **your** interest in the **harvested crop**,

whichever is earlier.

Proposal means all oral and written information **you** provided to **us** to arrange this Policy.

We, us, or our means **FMG**.

Yield loss means the **potential yield** minus the actual yield.

You means the person (or persons) shown on the **certificate** as the insured. **You** can also be a company, partnership, or other legal entity.

Your means belonging to **you**.

Potential yield means the yield that would have been achieved subject to seasonal and other factors had the **loss** not occurred.

What you need to know



We're easy to contact
Call us on 0800 366 466

Write to us at PO Box 1943,
Palmerston North 4440, New Zealand.

Email us contact@fmg.co.nz

Visit our website www.fmg.co.nz

Or contact your local FMG manager.

INSURANCE - INVESTMENT - FINANCE

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