Arable Crop Policy
FMG has been protecting the property and livelihoods of people up and down the country since 1905. We’re 100% New Zealand owned and operated and are proud to be the country’s only rurally-based insurance company around today.

You don’t get to be over 100 years old without learning a thing or two; because we’ve worked closely with New Zealand communities over the years we can help find what works for you.

And we’re still listening to what you’re saying which is why we continually strive to improve our products and services, and why we have something to offer all New Zealanders. It’s also why we focus on partnering with you to plan for the risks and challenges you face, not just the insurance you need to deal with them.
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 us. The expiry date of your Policies is shown on the policy certificates. We will be in contact with you regarding renewal of your insurance around that time.

Your Responsibilities

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

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

- Please tell us all material information before the cover starts, even if we don’t specifically ask about it.
- Please update us should anything about your circumstances change, both during the period of insurance and at 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.

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. It is important that you read these and are aware of them.

This 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.
Welcome to FMG

Our Responsibilities

We agree to provide the cover set out in the Policy below that is shown on your certificate. Throughout the Policy 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 are bound by 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 subsequently administer this Policy. We may require further information later on if you make a claim or wish to renew this Policy with us. The proposal you completed also authorises 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 and therefore we will not share your information unless authorised to do so under the Privacy Act 1993.

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 this 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 provided you do not have a claim during this 30 day 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 New Zealand
• Visit our website www.fmg.co.nz
• Email us at contact@fmg.co.nz
• Fax us on 0800 366 455
We agree to provide you with the insurance set out in this Policy, if this Policy is shown on the certificate.

Section 1 – Growing Crop

What your growing crop is insured for

1. Under this Policy you have cover for one, or both, of the following insured events:
   (a) Crop Fire: Your growing crop is insured for accidental loss caused directly by:
       (i) fire, or
       (ii) lightning.
   (b) Crop Expanded Perils and Fire: Your growing crop is insured for accidental loss caused directly by:
       (i) fire,
       (ii) lightning,
       (iii) frost,
       (iv) windstorm,
       (v) hail, or
       (vi) impact by vehicles or aircraft.

What your growing crop is not insured for

1. Your growing crop is not insured for loss:
   (a) Connected in any way with explosion, subterranean fire, volcanic eruption, earthquake, tsunami, landslip or subsidence.
   (b) While in any building or silo.
   (c) While in transit beyond the confines of any field shown on the certificate or fields immediately adjoining them.
   (d) Caused by frost before 15 November in the season for which you are insured.
   (e) 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.

2. Your growing crop excess
   (a) For losses caused directly by:
       (i) frost,
       (ii) hail,
       (iii) windstorm, or
       (iv) impact by vehicles or aircraft,
       you will be responsible for the first 20% of the loss calculated.

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 growing crop of wheat is damaged by, and insured for, windstorm, we will pay $225 per tonne in addition to the amount we will pay under clauses 1.(a)(i) and 1.(b) above and 7. below.

3. 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.

4. 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.

5. The maximum we will pay during the applicable period of insurance is the sum insured for each crop, as shown on the certificate.

6. 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.

7. You may adjust the potential yield for any or all crops declared at any time up to 1 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.
Section 2 – Harvested Crop

What your harvested crop is insured for
1. 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,
   (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 1 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) Confiscation, nuclear materials, terrorism or war.

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. 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.
   (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 us to:
      (i) Obtain personal information about you from you and third parties in connection with your insurance.
      (ii) Disclose personal information about you to third parties in connection with your insurance.

Please see the full Privacy Statement on our website (www.fmg.co.nz) for information about how we collect, use and store your personal information.

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,
      (ii) bring this Policy to an end from the date of the dishonest or fraudulent act, and/or
      (iii) bring all other insurance you have with us to an end from the date of dishonest or fraudulent act.
   (c) We may also notify the Police and/or the Serious Fraud Office.

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. Progress Payments
   (a) We will, at our option, make regular progress payments for your claim provided that:
      (i) you provide us with proof of your insured loss, and
      (ii) if the combined progress payments exceed the total amount of the loss, you immediately refund the difference between these amounts to us.

6. Recoveries
   (a) If we accept any part of your claim, we may exercise any legal rights you have to, at our cost, recover amounts from the person(s) responsible for the loss.
   (b) If we do this, you must co-operate and assist us with this exercise. If you refuse, we may require you to repay us the money we paid you.
   (c) If we succeed in recovering any money from the person(s) responsible, we will refund your excess and pay any remaining money recovered to you less our:
      (i) recovery costs, and
      (ii) the money we have paid you.
   (d) If you recover any lost or stolen property claimed under this Policy:
      (i) you must hand this over to us, and
      (ii) we are entitled to keep this and any proceeds from its sale.
   (e) If you receive any reparations in respect of any property claimed under this Policy, you must immediately reimburse us for any claim we have paid from these reparations.

7. 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 this 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 this Policy by giving us notice of the changes.
   (b) We may change the terms of this 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 this 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 this Policy:
       (i) that party is noted by us, but is not directly insured under this Policy,
       (ii) you authorise us to disclose to that party personal information about you in connection with this 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 this 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) alters,
      any risk insured under this Policy.
   (b) Once you have done so, we may change the premium and/or terms of cover, at our discretion.
   (c) If you fail to notify us of any change in circumstances, we may:
      (i) refuse to meet any claim or part of it, and/or
      (ii) bring this Policy to an end from the date of the failure.

15. Payment of Premiums
   (a) Cover under this 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 this 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,
      (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 this 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 this Policy applies across all persons and legal entities collectively.

Definitions
The following definitions apply to your Policy, unless the context requires otherwise.

Please note:
- References to the singular include the plural and vice versa.
- The definitions apply to any derivatives of the word used in this Policy.

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

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

Confiscation means confiscation, requisition, nationalisation, or destruction of, or damage to property by order of Government, a local authority, a court, or any public authority but excludes such orders given for the purpose of controlling a peril covered by this 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 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** or, for the purposes of clause 4 of Section 1 – Growing Crop, loss occurring within 40 days of planting.

**Nuclear materials** means:
(a) ionising radiation or contamination by radioactivity from:
(i) any nuclear fuel,
(ii) any nuclear waste,
(iii) the combustion or fission of nuclear fuel, or
(b) nuclear weapons material.

**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.

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

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

**Terrorism** means:
(a) the use, threatened use, or preparation for the use, of:
(i) force or violence towards any person or group(s) of people,
(ii) property damage,
(iii) conduct that creates a risk to health and safety, or
(iv) interference or disruption with an electronic system,
(b) by a person or group(s) of people whether acting alone, or on behalf of, or in connection with, any organisation or government:
(i) designed to influence, coerce or retaliate against, a government or group of people,
(ii) bring about change that aligns with their particular political, religious, ideological, ethnic, economic agenda, and
(c) extends to conduct connected with controlling, preventing, suppressing, retaliating against, or responding to such conduct.

**War** means conflict, invasion, act of foreign enemy, hostilities or warlike operations (whether declared or not), civil, mutiny, civil commotion assuming the proportions of or amounting to an uprising, insurrection, rebellion, revolution, military or usurped power, and extends to activity connected with controlling, preventing or suppressing such conduct.

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

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

**You** and **your** means the person (or persons) shown on the **certificate** as the insured. **You** can also be a company, partnership, or other legal entity.
Your Arable Crop Policy
We’re easy to contact

Call us on
0800 366 466

Write to us at
PO Box 1943
Palmerston North 4440

Email us
contact@fmg.co.nz

Visit our website
www.fmg.co.nz