



# ***Arable Crop Policy***

**FMG**  
Advice & Insurance

*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.*

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## **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](http://www.fmg.co.nz)
- Email us at [contact@fmg.co.nz](mailto: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.

# Your Arable Crop Policy

## 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](http://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**.

# Your Arable Crop Policy

## 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**.

# Your Arable Crop Policy

**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](mailto:contact@fmg.co.nz)

*Visit our website*  
[www.fmg.co.nz](http://www.fmg.co.nz)

**FMG**  
Advice & Insurance