

Arable Crop Policy Wording

2025-26 Season

Terms of our policy to cover
arable crop

Effective on all new policies, items and renewals issued
between 1 August 2025 and 31 July 2026



FMG
Advice & Insurance

**Thank you for choosing to insure with FMG.
We are New Zealand's leading rural insurer,
100% New Zealand owned and protecting
property and livelihood in New Zealand
communities since 1905.**

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Terms of our policy to cover your arable crop

This policy wording describes the Arable Crop policy. This policy provides options to cover your growing crop for fire and lightning or for fire, lightning, certain weather events and impact by vehicles or aircraft. Your harvested arable crop is covered for sudden and unforeseen loss.

Important information about your FMG policy

Please read and file this document and your policy certificate

Please take the time to read carefully through this policy wording and the accompanying policy certificate. Together, these two documents form your insurance contract with us.

The policies and benefits we agree to provide are listed on your certificate. This wording details the cover that this policy and benefits provide.

The policy certificate shows what you are covered for

Your policy certificate is particularly important. If there is any inconsistency between your FMG policy wording and what is on the certificate, it is the certificate that prevails.

We are here to help

Under this contract, you and FMG both have responsibilities to ensure everything runs smoothly. Read these documents to find out what they are. If there is anything that you don't understand, please contact us.

Please:

- tell us of any errors in your documentation
- contact us if there is anything you don't understand and would like explained
- keep this policy in a safe place along with your renewal notice(s).

We will remind you when your policy needs to be renewed

The date that cover ceases is shown on the policy certificate. If your policy is renewable, we will contact you about renewing your insurance just before that date.

We have defined the meanings of some words

In this document, we use italics to show that the words have the meanings given in the definitions section.

We also use the following common terms throughout the document, with the meanings shown:

- **Certificate** means the latest version of your policy certificate issued by us. The certificate contains details of your insurance cover under this policy.
- **FMG** means FMG Insurance Limited as shown on the certificate.
- **We, us, or our** means FMG.
- **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.

You must provide information and pay your premium

You agree to give us correct and complete information

We have provided this policy based on the information you have disclosed to us. If you give us information that is incorrect or incomplete, you might not be covered under the policy.

You need to tell us:

- all material information before the cover starts, even if we don't specifically ask about it (material information is information that could change our decision if we knew about it)
- straight away if your circumstances change in any way while you are insured with us, both during the period of insurance and at renewal.

You agree to pay your premiums on time

Cover under your policy will not start 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 by the due date, your insurance could be cancelled and you will not be insured.

You agree to the exclusions and obligations detailed in the policy

You are not covered for some items, events, and circumstances. These are called exclusions. Exclusions are detailed throughout the policy.

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 who is entitled to claim under this policy must also meet these conditions and obligations.

We will be fair in the way we provide this cover

We are bound by the Fair Insurance Code

FMG is a member of the Insurance Council of New Zealand and bound by the Council's Fair Insurance Code. For a copy of the Code, please call us on 0800 366 466.

We comply with the Privacy Act 2020

We collect personal information about you, your business, or both. We asked you for personal information to fully evaluate and to administer this policy, and we may ask for more if you make a claim or renew the policy. You also authorise us to:

- collect relevant information about you or your business from third parties, such as other insurers and the Natural Hazards Commission Toka Tū Ake (NHC)/EQC
- disclose information about you in connection with insurance to third parties.

We fully understand the importance of protecting your personal, commercial and financial information. We store your information securely, within our organisation, and will not share it except in compliance with the Privacy Act 2020. You have rights under the Privacy Act 2020 to access and correct the information we hold about you.

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

We provide a 30-day 'cool off' period

We are confident this policy will be right for you. However, you may cancel this policy within 30 days of the start date if you are not entirely happy, without giving us a reason. We will refund any premium you have paid, provided you do not have a claim during this 30-day period.

We agree to cover your arable crop

We agree to provide you with the insurance set out in this policy, if 'Arable Crop' is shown on the certificate.

We cover your arable crop

1. We cover your growing and harvested crop

1.1 We cover your growing crop for fire or lightning only

If 'Crop Fire' is shown on the certificate, your *growing crop* is insured for *accidental loss* caused directly by:

- fire, or
- lightning.

1.2 We cover your growing crop for fire, lightning, other weather events and impact only

If 'Crop Expanded Perils and Fire' is shown on the certificate, your *growing crop* is insured for *accidental loss* caused directly by:

- fire
- lightning
- frost
- windstorm
- hail, or
- impact by vehicles or aircraft.

1.3 We cover your harvested crop

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

2. What we will pay

What we will pay depends on:

- the loss (clause 2.1)
- whether specific treatment applies (clauses 2.2 to 2.4)
- the maximum limit applicable (clause 2.5).

2.1 What we will pay for your loss

The amount we will pay is calculated as follows:

- deducting the actual yield of the *growing crop* from its *estimated yield* to determine the yield loss, or for *harvested crop* the tonnage lost,
- multiplying this loss by the lesser of the:
 - market value rate per tonne for the crop at the date of *loss*, or
 - the value insured per tonne specified for the crop on the arable crop insurance application form, and
- deducting the costs you would have incurred had that crop not been damaged.

Alternatively, where the sum insured for the *crop* is based upon a *guaranteed contract price*, the amount we will pay is calculated as follows:

- deducting the actual yield of the *growing crop* from its *estimated yield* to determine the yield loss, or for *harvested crop* the tonnage lost,
- multiplying this loss by the *guaranteed contract price*, and
- deducting the costs you would have incurred had that crop not been damaged.

The amount we will pay is subject to the specific treatment set out under clauses 2.2 to 2.4 and maximum limit set out in clause 2.5 of this section.

How we treat specific situations

2.2 What we pay for your wheat

2.2.1 What we pay if your wheat crop is damaged other than by windstorm

If your damaged *crop* is wheat, we will only pay the value of your yield loss over and above the amount you are entitled to receive from the United Wheat Growers (NZ) Ltd statutory scheme.

The most we will pay is the amount shown on the certificate

2.2.2 What we pay for windstorm damage to wheat

If your damaged *growing crop* is wheat that is:

- covered under the United Wheat Growers (NZ) Ltd statutory scheme, and
- the loss is due to windstorm, and
- the crop is not in the *windrow*

We will pay the following:

- a) the value per tonne you would have received under the United Wheat Growers (NZ) Ltd statutory scheme, if the windstorm had been an insured peril under the scheme, and
- b) the value of your yield loss over and above the amount in (a), up to the amount shown on your certificate.

2.3 What we will pay when a loss occurs within 40 days of planting

If you suffer a *loss* covered under this policy within 40 days of planting, we will pay you 80% of the reasonable costs of replanting the damaged area in that same *crop*.

2.4 We may deduct amounts from the claim payment

We are entitled to deduct the following amounts from any claim payment:

- deducting the actual yield of the *growing crop* from its *estimated yield* to determine the yield loss, or for *harvested crop* the tonnage lost,
- multiplying this loss by the *guaranteed contract price*, and
- deducting the costs you would have incurred had that crop not been damaged.
- any amount you obtain from the sale of your damaged *crop*,
- any amount you would have obtained had your damaged *growing crop* been harvested, and
- any other salvage amount.

2.5 Maximum limit that applies

The maximum amount we will pay for each *crop* during the *period of insurance* is the sum insured shown on the certificate.

3. What loss you are not insured for

Your *growing crop* is not insured for *loss* caused directly by:

- frost before 15 November during the *period of insurance*
- frost, hail, windstorm or impact by vehicle or aircraft unless this loss exceeds 30% of the *estimated yield* of the field during the *period of insurance*.

Your *growing crop* is not insured for *loss* connected in any way with:

- landslide or subsidence
- explosion
- subterranean fire
- earthquake
- volcanic eruption
- tsunami.

4. General exclusions

4.1 You are not covered within 48 hours of the period of insurance beginning

You are not covered for any *loss* that occurs within 48 hours of the start of the *period of insurance*.

4.2 You are not covered for loss connected with wildlife or pests

You are not covered for *loss* connected in any way with:

- bird damage
- insects
- pests
- vermin

4.3 You are not covered for loss connected with disease, infection or certain other causes

You are not covered for *loss* connected in any way with fungal, bacterial or viral diseases and nematodes.

4.4 You are not covered for loss connected with sprouting

You are not covered for *loss* connected in any way with sprouting.

4.5 You are not covered for loss connected with mismanagement or unacceptable practices

You are not covered for *loss* connected in any way with mismanagement or failing to use acceptable horticultural practices.

4.6 You are not covered for loss connected with heating, drying, or natural fermentation

You are not insured for *loss* connected in any way with a heating or drying process, natural fermentation, natural heating or spontaneous combustion.

4.7 You are not covered for loss to crop in the windrow

You are not covered for *loss* connected in any way with the *crop* in the *windrow* unless this is caused directly by fire or hail provided the *crop* is insured for these.

4.8 You are not covered for loss of quality of your crop

You are not insured for loss of quality of your *crop* including, but not limited to, reduced grain weight or abnormally high screenings.

4.9 You are not covered for your excess

If we accept a claim under one or more of your FMG policies, you are not insured for the amount of any excess on the certificate.

4.10 You are not covered for consequential loss

You are not insured for any consequential loss. Things you are not covered for include, but are not limited to:

- penalties
- loss of use of property
- loss resulting from delays
- loss of market
- loss of profits
- loss of income
- loss resulting from depreciation
- loss of value.

4.11 You are not covered for confiscation, nuclear materials, terrorism or war

You are not insured under this policy for *loss* in any way connected with:

- *confiscation*
- *nuclear materials*
- *terrorism*
- *war*.

Making a claim

The conditions in this section apply to the *crop*. These conditions are important. You must meet all conditions before we will accept a claim under your policy with us.

5. What you must do

5.1 As soon as you know you are likely to make a claim

You must let us know immediately if anything happens that is likely to lead to a claim and prior to the completion of combine harvesting for *growing crop*.

You must take reasonable steps to minimise the claim and avoid any further claim.

You must make a complaint to the police if you suspect criminal activity.

5.2 When communicating with us

You must complete our claim form in full if we ask you to do so, and return it to us within 30 days of our request.

You must provide all reasonable information and assistance we require at any time.

You must immediately send us all relevant correspondence and court documentation.

You must authorise us to:

- get personal information about you from you and third parties in connection with your insurance
- disclose personal information about you to third parties in connection with your insurance.

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

6. What you must not do

6.1 You must not settle things yourself or dispose of property without approval

You must not say or do anything that prejudices our ability to take recovery action in your name.

You must not start any remedial action or dispose of any property you intend to claim on without our prior approval.

6.2 You must not make untrue statements

You, and anyone else entitled to claim under this policy, must ensure all statements made to us are true and complete.

If your claim is dishonest or fraudulent in any way, we are entitled to:

- decline your claim in whole or in part
- bring this policy to an end from the date of the dishonest or fraudulent act
- bring all other insurance you have with us to an end from the date of the dishonest or fraudulent act.

We may also notify the police, the Serious Fraud Office, or both.

7. How we will manage the claim

7.1 If two or more excesses apply, you need to pay the higher 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 excess we can apply under those policies.

7.2 We will only pay the difference between another insurance and this one

You must immediately let us know if you have other insurance covering the risks covered under this policy. We will only pay over and above the limit payable under that other insurance.

7.3 We may make progress payments

We will, at our option, make regular progress payments for your claim provided that:

- you provide us with proof of your insured *loss*, and
- if the combined progress payments exceed the total amount of the *loss*, you must immediately refund us the difference between these amounts.

7.4 We may recover costs from those responsible for the loss

If we accept any part of your claim, we may exercise any legal rights you have to recover amounts from the persons responsible for the *loss*. Any recovery will be at our cost.

If we do this, you must co-operate and give us any help we ask for. If you refuse, you may have to repay the money we paid you.

If we succeed in recovering any money from the persons responsible, we will refund your excess. We will pay to you any remaining money recovered after deducting:

- our recovery costs, and
- the money we have paid you.

If you recover any lost or stolen property claimed under this policy:

- you must hand this over to us, and
- we are entitled to keep this and any proceeds from its sale.

If you receive any reparations for any property on which you have made a claim under this policy, you must immediately reimburse us from these reparations up to the amount of any claim payments we have made to you.

7.5 We can choose whether or not to salvage

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.

You cannot abandon any property to us.

7.6 This policy is 'subject to average'

Your *crop* is 'Subject to Average' if it is insured for less than 85% of its *estimated yield* at the time of *loss*.

When 'Subject to Average' applies the amount you recover for a partial loss will reduce by the percentage that you are uninsured.

'Subject to Average' means:

- Your insurance policy contains a provision making it subject to average.
- That provision will have effect only if the property insured under the policy is underinsured at the time of loss.
- If the property insured under the policy is underinsured at the time of loss, the following rules apply:
 - if you suffer a total loss, the provision will have no effect
 - if you suffer a partial loss, the maximum amount that you may recover will bear the same proportion to your actual loss as the amount for which the property is insured bears to the full value of the property
 - whatever your loss, in no case will you be entitled to recover more than the amount for which the property is insured.

Example: Your property is worth \$20,000. You insure it for \$10,000. You suffer a loss of \$5,000. If your policy is subject to average, the maximum amount that you may recover will be \$2,500.

General conditions of this policy

The following conditions apply to the whole policy, and cover what you agree to do, how we manage the policy, and how the policy will be interpreted.

8. What you agree to do

These conditions must all be met before we will accept a claim under this policy.

8.1 You must insure your total crop

When you insure your *crop* with us you must insure the total *estimated yield* of that crop variety.

8.2 You must comply with all the terms of this policy

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.

You must tell the truth at all times.

8.3 You must tell us immediately if anything changes

After this policy starts, you must notify us immediately of any change in circumstances you are aware of that affects any risks insured under this policy, whether by increasing or altering them.

Once you have done so, we may change the premium and terms of cover, at our discretion.

If you fail to let us know about any change in circumstances, we may (from the date of the failure):

- refuse to meet any claim or part of it
- cancel this policy.

8.4 You must take reasonable care

You must take reasonable care, at your own expense, to avoid and minimise loss or damage to the property insured under this policy, and liability to others.

This includes all of the following:

- complying with all relevant laws
- complying with all manufacturer's recommendations
- employing competent employees
- maintaining and operating all security protection equipment, and all fire protection and extinguishment equipment, at all relevant times.

We will not pay any claim if you have been reckless or grossly irresponsible.

8.5 You must pay your premiums on time

Cover under this policy will begin when you have paid, or have agreed to pay, the premium for the *period of insurance* (including any government charges).

If we have agreed that you can pay your premium in instalments, cover under this policy will begin when you have paid, or have agreed to pay, the premium (including any government charges), due under this agreement.

You must pay your premiums by the due date.

If you suffer a total loss:

- we will not settle your claim:
 - until the full annual premium is paid, or
 - if you are paying your premium by instalments, until the balance of the full annual premium is paid, and
- we may deduct any outstanding annual premium from the claim settlement.

9. How we will manage this policy

9.1 How to make changes to this policy

If we agree, you may change this policy by giving us notice of the changes.

We may change the terms of this policy at any time by giving you notice at the last known address we have for you. The changes we make will take effect 14 days after the day we send or deliver the notice to you.

9.2 How to cancel this policy

We may cancel this policy if you do not pay your premium within 14 days of the policy coming into force.

We may cancel this policy at any time by giving notice to you at the last known address we have for you. Your policy will be cancelled 14 calendar days after the day we send or deliver the notice to you.

Other than under the conditions above, this policy cannot be cancelled.

9.3 Special conditions when the policy insures more than one person or entity

If this policy insures more than one person or entity, they are insured separately as though a separate policy was issued to each.

The most we will pay in total to all insured persons or entities during the *period of insurance* is the amount shown in this policy or on the certificate.

9.4 We will add Goods and Services Tax where applicable

Where we are able to recover GST under the Goods and Services Tax Act 1985:

- all amounts insured exclude GST (unless otherwise shown on the certificate), and
- GST will be added, where applicable, to claim payments.

All excesses include GST.

9.5 We can inspect your crop

We have the right to inspect your *crop* at any reasonable time.

9.6 We can give information and make payments to interested parties

If you advise us in writing of a party holding a financial interest over the property insured under this policy, all of the following apply:

- we note that interest, but the party is not directly insured under this policy
- you authorise us to disclose personal information about you to that party in connection with this policy
- we may make a claim payment directly to that party up to the limit of its interest.

If we make such a payment, we have met our obligations to you under this policy for that amount.

9.7 This policy covers your arable crop in New Zealand only

This policy covers your *crop* while it is in New Zealand.

How to interpret this policy

10.1 Words in italics have a specific meaning

Words which appear in italics must be interpreted using their defined meaning stated in the definitions section.

10.2 We use New Zealand currency

All monetary amounts referred to in this policy are expressed and payable in New Zealand dollars.

10.3 The law of New Zealand governs this policy

The law of New Zealand applies to this policy and the New Zealand courts have exclusive jurisdiction.

10.4 'Acts of Parliament' include amendments and regulations

Any Acts of Parliament referred to in this policy include any:

- amendments or statutory regulations made under them, and
- Acts or regulations made in substitution for the original Acts or regulations.

10.5 Headings are for ease of reading

The headings in this document are only there to make it easier to read. They do not form part of the policy and are not to be used in interpreting it.

Definitions

The following definitions apply to your policy.

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 that is sudden, unintended and unforeseen by you.

Confiscation means confiscation, requisition, nationalisation, destruction of, or damage to property by order of Government, a local authority, a court, or any public authority. The definition of confiscation 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. The crop must be planted before 15 December in the season it is insured for.

Estimated yield means the yield that would have been achieved (subject to seasonal and other factors) had the *loss* not occurred, as displayed on the arable crop insurance application form.

The estimated yield can be adjusted for any *crop* up to 1 February during the *period of insurance*, provided that:

- a maximum reduction of 25% applies,
- no adjustment can be made after there has been a *loss*, and
- if your *crop* is damaged within 48 hours of the estimated yield being increased, we will settle your claim based on the estimated yield prior to that increase.

Excess means the first amount of a claim that you must pay, as shown on the certificate.

Growing crop means your *crop* that:

- is growing in the field,
- has been or is in the process of being cut or lifted from the ground, or
- is sitting on the field but has not been gathered.

Guaranteed contract price means the guaranteed contract price that has been confirmed in writing by a certified purchaser.

Harvested crop means your *crop* that:

- has been gathered, or
- is in transit or in storage anywhere in New Zealand.

Loss means physical loss, damage or destruction occurring:

- during the *period of insurance*, or
- within 40 days of planting for the purposes of clause 2.3 (loss within 40 days of planting) under the 'What we will pay section'.

Nuclear materials means:

- ionising radiation or contamination by radioactivity from:
 - any nuclear fuel
 - any nuclear waste
 - the combustion or fission of nuclear fuel, or
- nuclear weapons material.

Period of insurance means the duration of your policy, as shown on the certificate and further detailed below:

- For *growing crop* the period of insurance:
 - Begins when the crop is fully emerged and established.
 - Ends:
 - for maize, when it is harvested or at 4pm on 31 August, whichever is earliest
 - for any other crop, when it is harvested or 4pm on 30 June, whichever is earliest
- For *harvested crop* the period of insurance:
 - Begins when the crop is gathered.
 - Ends 12 months after that date or when you no longer have an interest in that crop, whichever is earliest.

Terrorism means a particular type of use, threatened use, or preparation for the use, of:

- force or violence towards any person or group(s) of people,
- property damage,
- conduct that creates a risk to health and safety, or
- interference or disruption with an electronic system.

What makes it terrorism is that these are actions by a person, group or groups (whether acting alone, or on behalf of, or in connection with, any organisation or government):

- designed to influence, coerce or retaliate against, a government or group of people, or
- to bring about change that aligns with the person or group's particular political, religious, ideological, ethnic, economic agenda.

Our definition of terrorism extends to conduct connected with controlling, preventing, suppressing, retaliating against, or responding to such actions.

War means conflict, invasion, act of foreign enemy, hostilities or warlike operations (whether declared or not), civil war, 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.

Windrow means a long line of cut crop laid out to dry in the wind.

Notes

Tell us what you think about us and our service

Your feedback helps 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 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 would like to know about it so we can congratulate our team—so please let us know.

How you can contact us



Call us on 0800 366 466



Contact your local FMG manager



FMG Connect - our online service www.fmg.co.nz/connect



Visit our website www.fmg.co.nz



Email us at contact@fmg.co.nz



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



Fax us on 0800 366 455



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