

# FIRE ON VELD

## AIM OF THE INSURANCE

The product was designed to insure the production or grazing value of rangeland, pasture and crop residues used for animal consumption, against wild fires.

## DEFINITIONS

- Grazing Capacity (GC)** – Productivity of the grazeable/browseable portion of a homogeneous unit of vegetation expressed as the area of land required to maintain a single animal unit (LSU) over an extended number of years without deterioration to vegetation or soil.
- Large Stock Unit (LSU)** – One cattle unit with a mass of 450kg which can gain 0.5kg per day on forage with a digestible energy percentage of 55%.
- Value of LSU** – The estimated average value in Rand of one commercial LSU at the time of inception/renewal.
- Grazing value (GV) per farm** – The value of one LSU divided by the GC multiplying with the insured hectares per farm.

## DEFINED EVENT

Damage to the whole or part of the property described in the schedule, owned by the insured or for which they are responsible, by

### Fire, lightning or thunderbolt, subterranean fire, explosion

Damage caused by fire, lightning or thunderbolt, subterranean fire or explosion, but excluding damage to property occasioned by its undergoing any heating or drying process.

### Malicious damage

Damage directly occasioned by or through or in consequence of the deliberate or wilful or wanton act of any person committed with the intention of causing such damage.

### Insured value

The insured value is calculated as a function of the grazing capacity (GC) and the monetary value of a commercial live stock unit (LSU) as well as the area of the insured unit (farming unit).

Insured value = value of LSU/GC x number of hectares

### Basis of indemnity

Subject to the insured amount stated in the schedule the period of indemnity as stated in the schedule which shall be either one of the following 4 (four) periods shall be applied:

- 3 months
- 6 months
- 9 months
- 12 months

## Excess

An excess amount of 5 (five) percent of the nett insured value per farm is applicable, to a maximum of 75ha. The excess shall be applied per event.

# SPECIFIC CONDITIONS

## 1. Fire act

Cover is subject to compliance by the insured with the provisions of the National Fire and Forestry Act, Act 101 of 1998 as if it has been incorporated in this policy. Insured must be a member of an active Fire Protection Association (FPA) or alternatively a Farmer's Union (FU) if no FPA exists.

## 2. Prevention

Reasonable and sound measures must be in place for the prevention/control of fires. A fire break of at least 15m wide must be made around residential units and rubbish dumps on the insured farm at all times.

## 3. Claims reporting

Notwithstanding anything on the contrary in general conditions 6.A (i), the insured will be responsible to report insured damage to the Company within 3 (three) days after damage have occurred and provide particulars of any other insurance covering such events as are hereby insured.

## 4. Waiting period

There shall be a seven (7) day waiting period between the issuing of such policy and the first claim.

## 5. Payment of premium and interest

The insured is responsible for the payment of a non refundable 12 month premium on written acceptance of the policy. Interest is payable on any late payment of the premium calculated at the prime overdraft rate, as determined by the bank of the insurer.

## 6. Average

If the property insured is, at the commencement of any damage to such property by any peril insured against, collectively of greater value than the sum insured thereon, then the insured shall be considered as being their own insurer for the difference and shall bear a rateable share of the loss accordingly. Every item, if more than one, shall be separately subject to this condition.

# SPECIFIC EXCEPTIONS

1. This section does not cover damage caused by or attributed to or arising from or as a result of volcanic eruptions or other convulsion of nature.  
Any damage happening during the existence of abnormal conditions (whether physical or otherwise) which are occasioned by or through or in consequence, directly or indirectly, or any of the said occurrences shall be deemed to be damage which is not covered by this insurance, except to the extent that the insured shall prove that such damage happened independently of the existence of such abnormal conditions. In any action, suit or other proceedings where the insurer alleges that, by reason of this exception, any damage is not covered by this insurance, the burden of proving the contrary shall be on the insured.
2. This section does not cover the following:
  - 2.1 The actual value, physical state or quality of the rangeland;
  - 2.2 Loss in production value due to secondary damage or retarded growth that may occur due to any reason whatsoever;
  - 2.3 Arson by the insured or anyone acting on their behalf or with their knowledge or consent;
  - 2.4 Livestock;
  - 2.5 Veld nearer than five (5) kilometers from the following:
    - National roads (N-roads)
    - Commercial grounds
    - International borders
    - Residential suburbs and informal settlements (excluding residential units on the insured and neighboring farms)