

# SPECIALIST INSURANCE FOR THE VINE INDUSTRY: CROP

## DEFINED EVENTS

Direct losses to the whole or part of the crops described in the schedule, owned by the insured or for which they are responsible, as a result of:

1. visible damage to the fruit caused by the direct mechanical action of hail;
2. visible damage to the fruit caused by the direct mechanical action of wind;
3. any vehicle catching fire, colliding and/or overturning;
4. visible damage to the fruit caused by frost;
5. visible damage to the fruit caused by excessive rain;
6. fire damage to insured orchards by uncontrollable;
7. explosion and earthquake.

## SPECIFIC EXCEPTIONS

The company shall not be liable for:

1. consequential loss or loss resulting from malpractice of the insured or any other person, or due to the absence of sound farming practices;
2. loss resulting from failure to immediately harvest fruit which are ready to be harvested. No circumstance that prevents or delays the harvesting of the fruit will affect this exclusion, including direct, indirect or consequential loss due to labour strikes or labour unrest, which may result in the crops not being harvested in time or not harvested at all;
3. fluctuation in the commodity price;
4. loss or damage due to drought however caused;
5. losses due to small, underdeveloped or malformed berries, irrespective of the cause;
6. losses due to Bunch Stem Necrosis and Growth Arrestment Phenomenon;
7. losses due to the incorrect declaration of insured areas or yields;
8. losses due to uneven or insufficient colouring of the fruit;
9. any loss occurring after harvesting unless specified;
10. losses due to theft.

# COMMENCEMENT OF COVER

Cover commences on the date as stipulated on the schedule under the heading "Date From", provided that:

1. crops may only be insured if the crops do not display any signs of damage caused by an insured peril;
2. this section will be rendered null and void and the insured forfeits the premium if a crop is insured after damage caused by an insurable peril has occurred and such damage is not reported in full and correctly by the insured and the damage has not been assessed;
3. cover on crops that were insured before the full bud stage will only commence after the full bud stage has been reached, and further that:
  - 3.1 cover will not commence and the premium will be refunded to the insured should visible signs of insured damage appear prior to the inception of this section unless the insured indicates in writing on the assessment form immediately after the official assessment has been done by the insurer that the insurance should continue, in which case cover on the balance of the crop takes effect. In this instance no claim will be compensated and the premium for the assessed damaged portion of the crop will be refunded;
  - 3.2 frost-and excessive rain cover will commence after 08:00 on the seventh day after the inception date of this section;
  - 3.3 fire cover commences after 08:00 on the seventh day after the inception date of this section;
  - 3.4 cover in respect of hail and wind commences after 08:00 on the second day after the inception date of this section.

# CESSATION OF COVER

Cover on the insured crops cease as soon as the crops are harvested, reworked, chopped, cut, lifted, picked or gathered in any manner and does not extend in any way beyond the normal harvesting time for that particular insured crop at the discretion of the insurer provided that:

1. cover ceases in respect of raisins as soon as the raisins are removed from the facility where dried, but under no circumstances will cover extend beyond the period which is considered as the normal drying period for that specific cultivar;
2. cover ceases in respect of table grapes as soon as 70% of the insured yield of an insured orchard is harvested;
3. cover in respect of damage during transit ceases as soon as the insured fruit is transported further than the nearest processing / packing facility within a radius of 100 km from the farm on which the fruit was;
4. cover ceases in respect of fire perils as soon as the crops are harvested or gathered in any manner but cover does not extend in any way beyond the normal harvesting time for that particular insured crop at the sole discretion of the assessor.

# NOTIFICATION OF DAMAGE

General condition 6. (a) (i) is hereby cancelled and replaced by the following:

6. (a)(i) The insured must report all visible signs of insured damage on crops to his intermediary/insurer as follows:
  1. hail-and fire damage within 3 (three) days after damage has occurred;

2. wind damage within 3 (three) days after damage has occurred;
3. transit damage telephonically within 24 (twenty-four) hours and by way of damage report within 3 (three) days after the loss;
4. frost damage within 7 (seven) days after damage has occurred;
5. excessive rain damage within 7 (seven) days after damage has occurred;

A damage report must be completed and a copy thereof obtained which will serve as proof of such damage failing which, no claim will be recognised. A copy of this policy and a GPS map must be available at the time of the assessment.

Notification of insured damages does not relieve the insured from the conditions of this clause. The insured must continue with normal farming practices after damage has occurred and attempt to minimize damage as far as possible.

The following General Condition is added:

6. (e) The insured is responsible to ensure that the necessary assessment has been completed before damaged crops are gathered or destroyed in any manner. No claim for insured damage will be recognised if damaged crops are harvested or destroyed in any manner prior to an official assessment of such crops.

## DETERMINATION OF INSURED DAMAGE

Establishing whether any insured damages occurred and if so, the extent thereof, will be determined in accordance with the prescribed assessment procedure and yield formula as incorporated in this policy. A copy is available at or on request at the nearest SANTAM office.

1. After receiving the damage report the damage on the insured crops will be determined by authorised assessor(s) instructed by the insurer. The damage assessment is subject to any other stipulations of this paragraph and of the Re-Assessment paragraph and is final and binding.
2. An assessment may be postponed at the discretion of the assessor(s) until the extent of the damage can be determined. Only the insured or his representative may be present at the assessment without the consent of the assessor(s).
3. Subject to the Re-assessment paragraph, all assessments will only be regarded as final and liability accepted once the claim-and field form thereof has been received and accepted as correct by the insurer. The insurer reserves the right to verify, revise or alter any assessment. All amounts paid will be adjusted accordingly.
4. In determining fire damage and loss in transit, any recoverable portion of the crop shall be taken into account. The recoverable portion of the crop remains the property and responsibility of the insured.
5. FIRE ON FRUIT: Compensation on the percentage damaged fruit on the measured area/number of trees is calculated by multiplying the lower of the insured yield or the actual yield before the damage with the insured value per ton/kg.

## RE-ASSESSMENT

1. If the insured does not accept the assessment, he could refuse to sign the claim form and request a re-assessment in writing from the insurer and submit the name and telephone number of the expert of his choice within 3 (three) working days after the assessment. If the insured is in the process of harvesting the crop, any further harvesting must be ceased.

2. If the insured signs the claim form, or does not request a re-assessment within 3 (three) working days, he forfeits his right to a re-assessment and the original assessment is final and binding.
3. The insurer also nominates an expert that will represent him. The two nominated experts will, together, agree on an umpire. If the two experts can not agree on an umpire, the intermediary through which the insurance was placed, will be requested to nominate the umpire.
4. Only the two experts and the umpire are allowed to attend the re-assessment.
5. If, at the time of the re-assessment the experts do not agree on the extent of the damage, the matter is referred to the umpire for a decision. During the re-assessment all persons must adhere to the conditions as set out in the policy, the prescribed assessment procedure and guide for re-assessment as laid down by the insurer.
6. Subject to Determination of insured damage, paragraph 4, the damage assessed during the re-assessment, or the decision of the umpire, whichever the case, will in every instance replace the original assessment. This decision is final and binding and no appeal may be lodged.
7. If the total claim compensation on the crop on which the re-assessment was done, does not increase by at least 15% of the originally calculated claim amount as well as with a minimum of 5% of the insured value, the insured is responsible for the cost of R300-00 per hour for time spent on the farm to conduct the re-assessment. Regardless the outcome of the re-assessment the insurer and the insured is respectively responsible for the cost of their own experts. The insurer is responsible for the cost of the umpire.

## BASIS OF COMPENSATION

Claims will be compensated by multiplying the insured value of a field/orchard with the assessed percentage points damage and after applying the applicable Excess, Franchise and Compensation Rate as described below.

## DEFINITION

### 1. **INSURED VALUE**

The insured value per field/orchard is calculated by multiplying the insured hectares with the yield per hectare and the insured value per tonne/kilogram.

### 2. **EXCESS**

The assessed percentage points damage or claim amount will be reduced by the percentage points excess or excess amount as specified on the policy as specified by the compensation code or excess amount.

### 3. **COMPENSATION RATE**

The rate at which claims will be compensated after taking the applicable Franchise or Excess into account.

### 4. **The following Excesses and Franchises will apply:**

- 4.1 HAIL / WIND: The selected percentage points Excess / Franchise is applicable.
- 4.2 EXCESSIVE RAIN: An Excess of 30 (thirty) percentage points of the total cover per crop business unit.
- 4.3 FROST: An Excess of 30 (thirty) percentage points of the total cover per crop business unit.
- 4.4 FROST AND EXCESS RAIN: An Excess of 30 (thirty) percentage points of the total cover per crop business unit.
- 4.5 TRANSIT: No Franchise or Excess is applicable. Claims are compensated at a rate of 90%. Claims are compensated on the unsalvaged loss (tonnage/kg), as assessed, at the insured value.

4.6 FIRE: No Franchise or Excess is applicable. Claims are compensated on the insured value at a rate of 85%.

## ACCESS TO THE FARM AND INSURED FIELDS

Any person authorised by the insurer will at all reasonable times be granted access to the farm and insured crops and is also entitled to gather information regarding the insurance.

## CANCELLATION

General Condition 3A is cancelled and replaced by the following:

At no stage is the insured or intermediary entitled to cancel the insurance without the written consent of the insurer, the insurer at his own discretion, to make such cancellation subject to conditions he deems fair, including that the insured remains liable for payment of the full premium.